

WILEY, REIN & FIELDING

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WASHINGTON, D. C. 20006
(202) 429-7000

November 13, 1998

WRITER'S DIRECT DIAL NUMBER

(202) 429-7019

VIA MESSENGER:

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

**Re: Applications of MobileMedia Corporation, et al.,
WT Docket No. 97-115**

Dear Ms. Salas:

MobileMedia Corporation and substantially all of its subsidiaries, Debtors-in-Possession ("MobileMedia" or the "Company"), pursuant to a November 6, 1998 oral request from the staff of the Wireless Telecommunications Bureau, hereby submit the following information regarding the Company's "Applications for Transfer of Control and Petition to Terminate and For Special Relief" (*Second Thursday Petition*) filed September 2, 1998.

The Bureau staff has asked MobileMedia for additional information regarding certain contractual claims against the Company filed by Mr. Gene Belardi and Mr. John Kealey, former officers of MobileMedia designated by the Commission as potential wrongdoers in this case. Mr. Belardi and Mr. Kealey have each filed in the Bankruptcy Court a pre-petition "Proof of Claim" seeking recovery from MobileMedia's bankrupt estate.¹ Mr. Belardi's claims are based on a September 14, 1993 employment contract, under which, Mr. Belardi argues, he is (a) due additional performance bonuses in the amount of \$408,856.49 based on increases in earnings before depreciation, amortization, interest, and taxes ("EBDAIT") over certain fixed periods of time and (b) owed \$15,015.59 on account of life insurance, accidental death and dismemberment insurance and health insurance premiums which, he contends, the Company was obligated under his contract to pay for through the end of 1998. Those premium payments were terminated in April 1997 after the Company filed for reorganization.

¹ Copies of Mr. Belardi's and Mr. Kealey's proof of claim are attached hereto as Exhibits 1 and 2, respectively.

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OFFICE OF THE SECRETARY

Mr. Kealey's claims are based on virtually identical arguments. Mr. Kealey claims that he is owed \$1,162,854.90 in performance bonuses and \$17,321.74 for various insurance premiums.

MobileMedia vigorously disputes the bonus portion that constitutes the vast majority of these claims and intends timely to file its formal opposition to them in the U.S. Bankruptcy Court of the District of Delaware.² The Company believes that neither Mr. Belardi nor Mr. Kealey are due any additional performance bonus on account of the relevant EBDAIT actually achieved.

MobileMedia intends to provide the Commission additional information regarding these claims in the future. However, it would like to take this opportunity to outline its view of these claims against the Company:

- The Company submits that any possible recovery arising from collateral contractual claims, such as these, filed against *Second Thursday* applicants should not be considered "benefits" that result from "favorable [FCC] action on the applications."³ These kinds of claims do not arise from any interest as an owner or other investor in the licensee. The Belardi and Kealey claims arise solely from pre-existing contractual arrangements and will exist whether or not the Commission approves the *Second Thursday* Petition. As such there is absolutely no nexus between favorable Commission action on the Company's applications and the Belardi and Kealey claims. The Company further believes that any other reading of the Commission's precedent in this area would seriously undermine the FCC's *Second Thursday* policy and, thus, would fail to "accommodate[] the policies of federal bankruptcy law with those of the Communications Act."⁴
- Moreover, these claims are wholly speculative and are opposed by the Company. Unlike a number of other *Second Thursday* cases, the Company has not acquiesced in the payment of any of the claims to the suspected wrongdoers. In fact, as indicated above, the Company will vigorously oppose the award of *any* additional money to Mr. Belardi and Mr. Kealey and will only allow a claim if ordered to do so by the bankruptcy court.

² The Company will file a copy of its opposition with the Commission.

³ *Second Thursday Corp.*, 22 FCC 2d 515, 516 (1970).

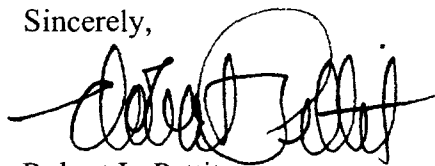
⁴ *LaRose v. FCC*, 494 F.2d 1145, 1147 n. 2. (D.C. Cir. 1974).

- In any event, any possible award to Mr. Belardi or Mr. Kealey would be minute when compared to the recovery afforded under the Amended Plan of Reorganization to innocent creditors.⁵ Grant of the *Second Thursday* Petition would help preserve the economic value of more than \$1.1 billion owed to innocent creditors. If the transaction is approved, MobileMedia's secured creditors would be paid the remaining \$479 million -- the full amount of the principal owed to them. Likewise, the bondholders and other unsecured creditors of the Company, whose claims exceed \$460 million, would collectively receive a majority equity position in the Combined Company. This would represent -- by an order of magnitude -- protection by the Commission of a larger amount of debt than in any previous *Second Thursday* case. Messrs. Belardi and Kealey would receive, at most, unsecured, non-priority, pre-petition claims in the amount of \$1,604,048.78. If such claims were allowed as filed, Messrs. Belardi and Kealey would receive distributions entitling them to less than one-quarter of 1% of the post merger company.

In sum, MobileMedia submits that the proofs of claim submitted by Mr. Belardi and Mr. Kealey are, in essence, pre-existing contractual claims arising largely from an inaccurate construction of the claimants' employment agreements. Even if Mr. Belardi and Mr. Kealey were able to convince the court -- over MobileMedia's objections -- to allow some portion of their unsecured, non-priority, pre-petition claims, any such recovery would be far outweighed by the benefits realized by MobileMedia's innocent creditors. Accordingly, the Commission should approve the proposed merger as consistent with the public interest.

Should the Commission desire any further information or if there are any additional questions, please let me know.

Sincerely,



Robert L. Pettit
Counsel for MobileMedia Corporation,
Debtor-in-Possession

⁵ See, e.g., *Shell Broadcasting, Inc.*, 38 FCC 2d 929, 933 (1973) (benefits to wrongdoer constituting 8% of the sale price are *de minimis*); *Walter S. Kelley, Trustee, WFXL(TV)*, 10 FCC Rcd 4424, 4426 (1995) (benefits to wrongdoer constituting almost 2% of the sale price are *de minimis*).

EXHIBIT 1

MobileMedia Communications, Inc.
Claims Processing
P.O. Box 5075
FDR Station
New York, NY 10150
PROOF OF CLAIM

NOTE This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" of payment of an administrative expense may be filed pursuant to 11 U.S.C. section 503.

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check box if your address differs from the address on the envelope sent to you by the court. Indicate correct address.

SCHEDULE #: 740122600*****
BELARDI, GENE P.
131 MINOR RD.
STERLING, VA 20165

United States Bankruptcy Court
District of Delaware
In Re: MobileMedia Communications, Inc., et al.
Chapter 11 Case No: 97-174 (PJW)
(Jointly Administered)

THE ORIGINAL OF THIS COMPLETED PROOF OF CLAIM MUST BE SENT SO THAT IT IS RECEIVED ON OR BEFORE 4:00 P.M., EASTERN TIME, ON JUNE 16, 1997.

IF THE PROOF OF CLAIM IS SENT BY MAIL, SEND TO:

MOBILEMEDIA COMMUNICATIONS, INC. CLAIMS PROCESSING
POST OFFICE BOX 5075
FDR STATION
NEW YORK, N.Y. 10150

If the proof of claim is sent by hand delivery or courier, deliver to: Bankruptcy Services LLC, Attn: Laura Campbell, 70 East 55th Street, 6th Floor, New York, NY 10022

FILED
DISTRICT OF DELAWARE
MobileMedia Communications, Inc., et al.
97-174 (PJW)
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JUN 16 1997

BANKRUPTCY SERVICES, INC.
BANKRUPTCY SERVICES, INC.

ORIGINAL

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR:		<input type="checkbox"/> transfers <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated: _____	
1. BASIS FOR CLAIM <input type="checkbox"/> Goods sold <input checked="" type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Taxes <input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Executory Contract <input type="checkbox"/> Real Property Lease <input type="checkbox"/> Equipment Lease <input type="checkbox"/> Other (Describe briefly)		2. WAGES, SALARIES, AND COMPENSATION (Fill out below) Your social security number: _____ Unpaid compensation for services performed date from _____ to _____ <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. section 1114(a)	
2. DATE DEBT WAS INCURRED JUNE 23, 1994		3. IF COURT JUDGMENT, DATE OBTAINED:	
4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured Nonpriority, (2) Unsecured Priority, (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED. <input type="checkbox"/> SECURED CLAIM \$ _____ Attach evidence of perfection of security interest Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other (Describe briefly) Amount of arrearage and other charges at time case filed included in secured claim above, if any \$ _____ <input checked="" type="checkbox"/> UNSECURED NONPRIORITY CLAIM \$ 423,871.45 A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim. <input type="checkbox"/> UNSECURED PRIORITY CLAIM \$ _____ Specify the priority of the claim: <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,000*), earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier-11 U.S.C. sec. 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan-11 U.S.C. sec. 507(a)(4) <input type="checkbox"/> Up to \$1,800* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use-11 U.S.C. sec. 507(a)(6) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child-11 U.S.C. sec. 507(a)(7) <input type="checkbox"/> Taxes or penalties of governmental units-11 U.S.C. sec. 507(a)(8) <input type="checkbox"/> Other-Specify applicable paragraph of 11 U.S.C. sec. 507(a) _____ *Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.			
5. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED: \$ 423,871.45 (Unsecured)		\$ (Secured) \$ (Priority) \$ 423,871.45 (Total)	
<input type="checkbox"/> Check this box if claim includes charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges.			
6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.			
7. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.			
Date JUNE 12, 1997	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) Gene P. Belardi GENE P. BELARDI		
Phone (703) 430-6744			

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. sections 152 and 3571.

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BANKRUPTCY SERVICES, INC.

Supporting Documents for Proof of Claim Form
Relating to the Chapter 11 Case No. 97-174 (PJW) of MobileMedia Communications, Inc., et al.

Claimant: Gene P. Belardi
131 Minor Rd.
Sterling, VA 20165

The basis for this claim is an Employment Agreement dated September 14, 1993, between Local Area Telecommunications, Inc., MobileMedia Corporation, and MobileMedia Communications, Inc. (collectively "Company") and Gene P. Belardi ("Mr. Belardi") ("1993 Employment Agreement") provided here as Exhibit I. Also relevant is a letter dated June 23, 1994, from Mr. Belardi to the Company which was a notice of constructive termination of his 1993 Employment Agreement ("Termination Letter"), provided here as Exhibit II, including, as an Attachment to the Termination Letter, specific instructions on implementation of pertinent termination provisions of the 1993 Employment Agreement. In addition, also relevant is a letter dated September 26, 1994 ("September 26, 1994 Letter") from the Company to Mr. Belardi as Exhibit III, which describes the payments and other consideration due under Mr. Belardi's 1993 Employment Agreement. Also included, as Exhibit IV, is Mr. Belardi's employment agreement dated January 1, 1995 ("1995 Employment Agreement") which reaffirms the benefits provided by the 1993 Employment Agreement.

Since Mr. Belardi received a letter from the Company dated March 7, 1997 ("Bankruptcy Letter"), provided here as Exhibit V, stating that "MobileMedia is no longer in a position to pay for any benefits previously provided you (Mr. Belardi) regardless of their nature," the following items represent the calculations and summary of the benefit amounts contractually owed to Mr. Belardi by the Company.

1. In accordance with the 1993 Employment Agreement, and reiterated in the Termination Letter and the September 26, 1994 Letter, an Incentive Payment in the amount of \$150,000 was earned by Mr. Belardi as of December 31, 1996, which liability was to be paid no later than 90 days thereafter, based on the achievement by the Company of earnings before depreciation, amortization, interest, and taxes ("EBDAIT") of at least \$82.2 million ("1996 Target Operating Cash Flow") for the twelve-month period ended December 31, 1996. Based on the Company's financial results for nine months ended September 30, 1996, which, as of the filing of this claim, is the latest 1996 reported EBDAIT for the Company, the reported EBDAIT was \$122.05 million. As further specified in the Employment Agreement, the Company's reported EBDAIT should be increased by an amount equal to the aggregate net proceeds of the sale of its specialized mobile radio assets and/or business, divided by five (5). The gross proceeds of the 1994 sale of the specialized mobile radio assets were \$25 million. The transaction fees and expenses were \$1 million resulting in net proceeds to the Company of \$24 million, which divided by 5 yields a positive adjustment to reported EBDAIT of \$4.80 million. Therefore, the Company's 1996 EBDAIT, for nine months ended September 30, 1996, after the adjustment for the sale of the specialized mobile radio assets, is \$126.85 million (\$122.05 million plus \$4.80 million), which exceeds the 1996 Target Operating Cash Flow. The Incentive Payment due and payable to Mr. Belardi is \$150,000. This \$150,000 represents the present value of this obligation as of January 30, 1997 ("Filing Date"), the day MobileMedia filed for protection under Chapter 11 of the Bankruptcy Code, since this day falls within the 90-day payment window.

2. In accordance with the 1993 Employment Agreement, and reiterated in the Termination Letter and the September 26, 1994 Letter, an Incentive Payment in the amount of \$300,000 is due Mr. Belardi as of December 31, 1998 based on the achievement of Company earnings before depreciation, amortization, interest and taxes ("EBDAIT") of at least \$125.1 million ("1998 Target Operating Cash Flow") for the twelve-month period ended December 31, 1998. As calculated in item 1 above, the Company's 1996 EBDAIT, for nine months ended September 30, 1996, after the adjustment for the sale of the specialized mobile radio assets, is \$126.85 million, which exceeds the 1998 Target Operating Cash Flow. The Incentive Payment due and payable to Mr. Belardi is \$300,000. As a result, the \$300,000 Incentive Payment is a contingent liability of the Company as of the Filing Date. Discounting this amount from December 31, 1998 to the Filing Date, the present value of this Incentive Payment is \$258,856.49. This amount is payable to Mr. Belardi.

Summary of Claimed Amounts
Owed to Mr. Belardi by the Company

<u>Item Number</u>	<u>Description</u>	<u>Nominal Amount</u>	<u>Present Value Amount</u>
1.	1996 Incentive Payment	\$150,000	\$150,000
2.	1998 Incentive Payment	\$300,000	\$258,856.49
3.	\$500,000 Life Insurance	\$4,100.25	\$3,799.34
4.	\$500,000 AD&D Insurance	\$781.25	\$731.18
5.	Medical and Health Insurance	\$11,345.46	\$10,484.44

Total Amount of Claim			<u><u>\$423,871.45</u></u>

3. In accordance with the 1993 Employment Agreement, and reiterated in the Termination Letter and the September 26, 1994 Letter, the Company is to provide Mr. Belardi individual term life insurance in the amount of \$500,000 until December 31, 1998. As evidenced by the Bankruptcy Letter, subsequent to Mr. Belardi's termination without cause, the Company has provided this benefit through April 17, 1997 through United of Omaha, policy number BU1002836. The cost of this benefit from April, 1997 through December 31, 1998 is a Company liability to Mr. Belardi as of the Filing Date. Mr. Belardi has continued to keep this life insurance in force at a cost of \$585.75 a quarter, for a total of \$ 4,100.25 for the seven (7) remaining quarters under the 1993 Employment Agreement. The present value of this obligation is \$3,799.34. This amount is payable to Mr. Belardi.

4. In accordance with the 1993 Employment Agreement, and reiterated in the Termination Letter and the September 26, 1994 Letter, the Company is to provide Mr. Belardi individual accidental death and dismemberment policy ("AD&D") in the amount of \$500,000 until December 31, 1998. As evidenced by the Bankruptcy Letter, subsequent to Mr. Belardi's termination without cause, the Company has provided this benefit through September 30, 1997 through American Home Insurance, policy number 0535373. The cost of this benefit from October 1, 1997 through December 31, 1998 is a Company liability to Mr. Belardi as of the Filing Date. The premium to keep this AD&D insurance in force is \$625.00 a year, for a total of \$781.25 for the remaining fifteen (15) months under the 1993 Employment Agreement. The present value of this obligation is \$731.18. This amount is payable to Mr. Belardi.

5. In accordance with the 1993 Employment Agreement, and reiterated in the Termination Letter and the September 26, 1994 Letter, the Company is to provide Mr. Belardi, comprehensive medical and health insurance, including dental and vision coverage and access to discount prescription program similar to those coverages provided to the company's executive employees, until December 31, 1998. As evidenced in the Bankruptcy Letter, subsequent to Mr. Belardi's termination without cause, the Company has provided this benefit through March 31, 1997, most recently through Aetna Life Insurance Company (PPO), Group number 697776-015-00002 and Prudential Health Care, Group number 0022740. The cost of this benefit from April 1997 through December 31, 1998 is a Company liability to Mr. Belardi as of the Filing Date. The premium to keep this coverage in force is \$540.26 per month, for a total of \$11,345.46 for the remaining twenty-one (21) months under the 1993 Employment Agreement. The present value of this obligation is \$10,484.44. This amount is payable to Mr. Belardi.

Note: To obtain present value amounts in the above calculations, an annual interest rate of 8% was used. Amounts were discounted from their payment due date to the Filing Date.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of September 14, 1993, is entered into between Local Area Telecommunications, Inc., a New York corporation ("LOCATE"); MobileMedia Corporation, a Delaware Corporation ("Holding Company"); MobileMedia Communications, Inc., a Delaware Corporation ("Company") and a wholly-owned subsidiary of Holding Company; and Gene P. Belardi (the "Executive").

RECITALS:

- A. LOCATE is engaged in the business of providing various telecommunications services and has entered into an agreement ("MPS Purchase Agreement") with Southwestern Bell Corporation ("SBC") to acquire Metromedia Paging Services, Inc. ("MPS"), a wholly-owned subsidiary of SBC (the "MPS Transaction"). Holding Company intends to raise capital through the issuance, registration and sale to the public of its common shares, or a comparable private placement ("Equity Offering"), to fund a portion of the purchase price under the MPS Agreement; and the Company intends to raise capital through the issuance, registration and sale to the public of its senior subordinated notes (the "Notes Offering") to fund the balance of the purchase price under the MPS Agreement. Upon the closing of the MPS Transaction, it is anticipated that Company will merge with and into MPS with MPS as the surviving corporation, and that the surviving corporation shall assume the obligations of Company under this Agreement.
- B. LOCATE, Holding Company and Company desire to engage the Executive to become the Vice President and Regulatory Counsel and Secretary of the Company and the Secretary of the Holding Company, contingent on completion and closing of the MPS Transaction.
- C. The Executive is willing to accept employment as the Vice President and Regulatory Counsel and Secretary of the Company and the Secretary of the Holding Company, contingent on completion and closing of the MPS Transaction, on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, LOCATE, Company and Holding Company, jointly and severally, and the Executive agree as follows:

1. Term of Employment.

(a) Initial Term. The Company will employ the Executive, and the Executive accepts employment with the Company, for an approximate five year period (the "Initial Term") commencing on the date of completion and closing of the MPS

Transaction (the "Effective Date") and ending on December 31, 1998 ("Initial Expiration Date"). (Where provisions of this Agreement apply equally to the Holding Company and the Company, such parties are collectively referred to as the "Companies.")

(b) Renewal Term. Unless earlier terminated pursuant to Section 5, the term of this Agreement shall be extended automatically for additional two year periods ("Renewal Term") commencing on the Initial Expiration Date and upon each successive biennial anniversary thereof unless written notice of an election not to renew this Agreement is given by either the Company or the Executive not less than six nor more than seven months prior to the Initial Expiration Date or any such anniversary. Any extension shall be upon the terms and conditions set forth herein unless otherwise agreed in writing.

(c) Relationship Prior to Effective Date. If the MPS Purchase Agreement terminates without a closing of the MPS Transaction, either LOCATE or the Executive may terminate this Agreement by notice to the other parties and all obligations of all parties shall be fully discharged. If the MPS Transaction is consummated by LOCATE or the Companies and any of them takes any action or omits to take any action prior to the Effective Date such that, if such action or inaction were to occur after the Effective Date, Executive would have a right to give notice of Constructive Termination under Section 5(e), below, then Executive shall have the same rights under that Section as if such action or inaction had occurred after the Effective Date. LOCATE will promptly provide Executive such information regarding the progress of the MPS Transaction and related financing, planning and similar activities as Executive may reasonably request.

2. Duties.

(a) General Duties. The Executive will serve as the Vice President and Regulatory Counsel and Secretary of the Company and Secretary of the Holding Company. In such offices, the Executive will discharge such duties and responsibilities, and enjoy such authorities, as are customary for those offices. The Executive will be furnished with such staff, facilities, services and working conditions, consistent with the Companies' current practices, as are suitable to his position and adequate for the performance of his duties. The Executive will use his best efforts to perform his duties and discharge his responsibilities pursuant to this Agreement competently, carefully and faithfully.

(b) Devotion of Time. The Executive will devote sufficient time, attention and energies (exclusive of periods of sickness and disability and of such normal holiday and vacation periods as have been established by the Companies) to the affairs

of the Companies to fulfill the responsibilities of his office as reasonably directed from time to time by the Company's Chief Operating Officer and the Companies' Boards of Directors. The Executive will not enter the employ of or serve as a consultant to, or in any way perform any services with or without compensation for, any other person, business or organization, where such conduct would be inconsistent with, or prevent Executive from carrying out, his duties under this Agreement, without the prior written consent of the Board of Directors of the Companies.

(d) Location. The Executive will perform his services at the offices of the Company in greater Washington, D.C., or such other place as may result from a relocation permitted hereunder, ("Work Location"), except that the Executive agrees to travel from time to time to other offices of the Company, or other locations, to the extent reasonably required for the performance of his duties. Absent his prior written consent, the Executive will not be required to relocate to any other Work Location. Except as otherwise provided herein, if the Company relocates its operations in a manner that renders impractical the Executive's performance of his duties at the Work Location, such relocation shall, at the Executive's option and effective ten days after his notice to that effect, be treated as a Constructive Termination under Section 5(e).

(e) Indemnification. LOCATE and the Companies agree that, in acting as an officer of the Companies hereunder, the Executive shall be indemnified to the full extent permitted by law. To that end, LOCATE and the Companies agree to enter into indemnity agreements in such form as the Executive may reasonably request.

3. Compensation and Expenses.

(a) Salary. For the services of the Executive to be rendered under this Agreement, the Company will pay the Executive an annual salary of \$175,000; provided that such salary may be reduced to the extent that the Executive elects to defer any portion thereof under the terms of any deferred compensation or savings plan maintained by the Company. The annual salary will be reviewed annually and will be increased no less than 5% per year over the annual salary in effect in the immediately preceding year. The Company will pay the Executive his salary in equal installments no less frequently than monthly.

(b) Incentive Payment. In addition to the salary provided in Subsection (c), above, the Company shall pay the Executive incentive payments as follows:

(i) a lump sum payment in the amount of \$150,000 if the Company's earnings before depreciation, amortization

interest and taxes ("EBDAIT") for the twelve month period ended December 31, 1996, is not less than \$82.2 million, as adjusted ("1996 Target Operating Cash Flow"), or in the amount of \$75,000 if EBDAIT for such period is less than 100% but not less than 90% of 1996 Target Operating Cash Flow, increased by \$7,500 for each full percent increment by which EBDAIT exceeds 90%, but in no event exceeding \$150,000; and

(ii) a lump sum payment in the amount of \$300,000 if the Company's EBDAIT for the twelve month period ended December 31, 1998, is not less than \$125.1 million, as adjusted ("1998 Target Operating Cash Flow"), or in the amount of \$150,000 if EBDAIT for such period is less than 100% but not less than 90% of 1998 Target Operating Cash Flow, increased by \$15,000 for each full percent increment by which EBDAIT exceeds 90%, but in no event exceeding \$300,000,

each of such payments to be made upon fulfillment of the conditions thereto without regard to whether this Agreement has been renewed pursuant to the provisions of Section 1(b) and in each case payable as soon as practical after the determination of EBDAIT for the relevant twelve month period, but in no event later than ninety days after the end of the relevant twelve month period. In the event that the Company sells its specialized mobile radio assets and/or business, then, for the purposes of subsections (i) and (ii), above, EBDAIT shall be increased by an amount equal to the aggregate net proceeds of such sale divided by 5. In the event of any other major change in the Company's business materially affects the achievability of the 1996 Operating Cash Flow Target or the 1998 Operating Cash Flow Target (each a "Target"), the Company and Executive shall negotiate in good faith to modify the Target(s) in a manner that will fairly reflect the diminished cash flow expectations.

(c) Options. On the Effective Date, the Holding Company will grant to the Executive options to purchase a number of shares of the Holding Company's Class A common stock ("Common Stock") equivalent to 0.25% of the Holding Company's total common stock issued and outstanding as of that date (the "Options") on terms and conditions, except as otherwise provided herein, comparable to those of the Company's Employee Stock Option Plan, if any. Notwithstanding the failure of the Company to adopt an Employee Stock Option Plan or similar plan, Executive shall be granted the Options. The general terms of such Options shall include the following:

(i) the exercise price shall be the same as the price per share at which Common Stock is sold in the Equity Offering;

(ii) one-fifth of the Options will be immediately vested and exercisable and the balance will vest and become exercisable by the Executive at the end of the periods indicated in the following schedule:

<u>Months of service</u>	<u>Percent of Options Which Vest</u>
12	20%
24	20%
36	20%
48	20%

(iii) except as otherwise provided in this Agreement, the vested Options shall remain exercisable for a period of 10 years and shall not be forfeited for any reason, including the Executive's termination of employment by the Company;

(iv) provision will be made for (A) antidilution protection in the event of stock splits, stock dividends, recapitalizations and similar changes in the Holding Company's capitalization and (B) registration rights no less favorable than similar rights granted to any other holder of the Holding Company's equity, including without limitation registration of shares to be issued pursuant to the Options separately or combined with any registration of shares of the Holding Company under the Securities Act of 1933.

The failure to effect delivery to Executive of either (x) the Options substantially upon the terms described above or (y) comparable (in the reasonable opinion of Executive) options of some other issuer including substantially the same terms mutatis mutandis as provided in subclauses (i) through (iv), above, shall be treated, at the Executive's option and effective ten days after his notice to that effect, as a Constructive Termination under Section 5(e).

(d) Expenses. The Companies will reimburse the Executive for all reasonable travel, entertainment and miscellaneous expenses incurred in connection with the

performance of his duties under this Agreement, provided that the Executive properly accounts for such expenses in accordance with the Companies' practices. Such reimbursement will be made in accordance with policies and procedures of the Companies in effect from time to time relating to reimbursement of executive officers. The Company will pay Executive an allowance of no less than \$500.00 per month for Executive's personal automobile costs. In the event Company moves the Executive's work Location to a place no less than fifty miles farther from Executive's residence than the Work Location prior to the relocation, then the Company will reimburse Executive for the full amount of costs incurred by Executive in changing his residence, including any losses incurred by the Executive in a sale of his residence for a price less than the acquisition cost of such residence plus improvements made thereto by the Executive, all of such costs to be grossed up for applicable federal, state and municipal taxes to the end that Executive shall not incur any tax liability for such reimbursed costs, all up to a maximum of \$100,000, unless Executive elects treatment under any relocation plan of the Company.

4. Benefits.

(a) Vacation. For each calendar year during the Initial or Renewal Terms of this Agreement, the Executive will be entitled to four weeks of paid vacation without loss of compensation or other benefits to which he is entitled under this Agreement, to be taken at such times as the Executive may select and the affairs of the Company may permit and prorated for any partial calendar year.

(b) Employee Benefit Program. Without limiting the compensation to which the Executive is entitled pursuant to the provisions of Section 3 or this Section 4, the Executive will be entitled during the term of this Agreement to participate in any stock option, pension, insurance or other benefit plan that is maintained at that time by the Companies for executive employees, including programs of life and medical insurance and reimbursement of membership fees in civic, social and professional organizations.

(c) Life Insurance. Company shall pay the premium for a term life insurance policy on Executive's life in the principal amount of \$500,000, which policy shall be owned by Executive or his designee and the beneficiary of which shall be designated by Executive. The Company shall also provide Executive an accidental death and dismemberment policy with the same characteristics regarding principal amount, ownership and designation of beneficiaries.

5. Termination.

(a) Termination by the Company Without Cause. The Company may terminate the Executive's employment under this Agreement without cause at any time by giving written notice to the Executive. Such termination will become effective upon the date specified in such notice, provided that such date is at least 60 days after the date of such notice. Upon any such termination:

(i) The Company will pay the Executive, within five days of the effective date of termination, an amount equal to two times his then total annual salary; and

(ii) The Company will pay the Executive any incentive payments provided in Section 3(b), when and if the conditions thereto are fulfilled without regard to termination hereunder, according to the terms thereof; and

(iii) All then unvested options granted pursuant to Section 3(c) shall become fully vested and shall remain exercisable for the full periods thereof; and

(iv) The Company will continue to maintain, for the remainder of the Initial Term or any Renewal Term during which such termination shall occur, for the benefit of the Executive, the employee benefit programs referred to in Section 4(b) that were in effect on the date of such termination and, at the Company's expense, will continue the Executive's benefits under such programs for the remainder of the Initial Term or any Renewal Term during which such termination shall occur.

The Company covenants and agrees that, after any termination under this subsection, it will continue to conduct its business in good faith to accomplish the growth objectives that are conditions to the Executive's right to receive the incentive payments provided in Section 3(b) and will refrain from taking any action designed to deprive the Executive of the benefits of that section.

In the event that any payment to the Executive under this Section shall subject Executive to payment of any tax under Section 4999 of the Internal Revenue Code or any comparable or successor tax law, the Company shall pay the Executive whatever additional amount is necessary to reimburse the Executive for the payment of such tax.

(b) Termination by the Company for Cause. The Company may terminate the Executive's employment pursuant to the terms of this Agreement at any time for cause by giving written notice to the Executive. Unless rescinded as provided below, such termination will become effective thirty days after the giving of

such notice. Upon any such termination for cause, the Executive shall have no right to compensation under Section 3 or to participate in any employee benefit programs under Section 4 for any period subsequent to the date that such termination is ratified in accordance with the terms hereof. For purposes of this Section 5(b), "cause" shall mean: (i) the Executive is convicted of a felony, without recourse to further appeal, and the felonious conduct or the conviction results or may result in material harm to the Company; (ii) the Executive, in carrying out his duties hereunder, has been guilty of willful gross negligence or willful gross misconduct resulting, in either case, in material harm to the Company or any of its affiliates; or (iii) the Executive materially breaches this Agreement. Upon receipt of a notice under this Section, the Executive shall have the right to call a special meeting of the Board of Directors, to be conducted as provided in the Company's By-laws for such a meeting, for the purpose of considering termination of the Executive for cause. Unless the Board of Directors votes to ratify the termination of the Executive, the termination shall be deemed rescinded.

(c) Death or Disability. This Agreement and the obligations of the Company hereunder will terminate upon the death or disability of the Executive. For purposes of this Section 5(c), "disability" shall mean that for a period of six months in any 12-month period the Executive is incapable of substantially fulfilling the duties set forth in Section 2 because of physical, mental or emotional incapacity resulting from injury, sickness or disease. Upon any such termination upon death or disability, the Company will pay the Executive or his legal representative, as the case may be, an amount equal to his aggregate annual salary payable under this Agreement through the end of the Initial Term or, if such termination shall occur during any Renewal Term, through the end of such Renewal Term.

(d) Termination by Executive Without Cause. The Executive may terminate his employment under this Agreement without cause at any time by giving written notice to the Company. Such termination will become effective upon the date specified in such notice, provided that such date is at least 60 days after the date of delivery of the notice. Upon any such termination:

(i) the Company shall be relieved of all of its obligations under this Agreement except for payment of salary and the provision of benefits through the effective date of termination;

(ii) the Executive shall forfeit all unvested options and, if he has been employed by the Company less than three years, his vested options shall expire unless exercised within five years of the effective date of termination; and

(iii) the Executive shall remain bound by the provisions of Section 6 and 7.

(e) Constructive Termination. In the event of any action or inaction by LOCATE or either of the Companies or any of their respective officers, directors or shareholders that has the effect of materially limiting, diminishing or altering the responsibilities, authorities or compensation of the Executive or his enjoyment of the benefit of performance by LOCATE or the Companies as contemplated under this Agreement ("Constructive Termination"), Executive may terminate his employment under this Agreement pursuant to the provisions of this paragraph; and such termination shall not be deemed a termination pursuant to the provisions of Section 5(d). Events of Constructive Termination shall include without limitation (a) the failure to elect or appoint Executive to the positions contemplated by this Agreements, (b) the sale of a substantial portion of the Company's assets, (c) any merger in which the Executive does not have a comparable position in the surviving company, (d) a Change of Control of LOCATE or either of the Companies, (e) either (i) termination of the employment of Charles J. Payer, Jr. ("Payer") other than by termination by the Company for cause, termination resulting from death or disability or termination by Payer without cause or (ii) the removal of Payer from any office or board seat occupied by him as of the Effective Date, (f) any event, action or inaction provided elsewhere in this Agreement with a reference to this Section. For the purposes of this Section, "Change of Control" means the occurrence of one of the following events: (i) a "person" or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act")) other than LOCATE and its affiliates as of the Effective Date is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of at least 50% of the fully diluted voting stock of either of the Companies; (ii) the individuals who at the beginning of any period of two consecutive calendar years constituted the board of directors of either of the Companies (together with any new directors whose election by such boards or nominations for election by the shareholders of either Company was approved by those members of the board of directors of either Company then still in office who either were members of such boards at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the board of directors of either Company then in office; (iii) either of the Companies sells, conveys, transfers, leases or otherwise disposes of, all or substantially all of its property and assets to any Person; (iv) either of the Companies merges into or consolidates with any other Person and immediately after such merger or consolidation the shareholders of either of the Companies immediately prior to any such merger or consolidation own less than 50% of the voting stock of the entity surviving such merger or consolidation; (v) the Holding Company fails to

own 100% of the voting stock of the Company; provided that it shall not be deemed a Change of Control if the Holding Company merges with the Company, except that, in such case, the survivor of such merger shall be substituted for the Holding Company for purposes of this definition of "Change of Control" and clause (v) shall no longer be applicable; . Executive acknowledges that LOCATE and the Companies currently contemplate establishing, as of the Effective Date, boards of directors a majority of whose members will be independent, outside directors and not employees or officers of either of the Companies. Termination pursuant to this Section shall be effective immediately upon Executive's notice to that effect and without regard to the length of service hereunder. Upon any such termination, the same rights, obligations and conditions (other than the requirement of 60 days notice) shall apply as provided for termination by the Company without cause in Section 5(a), above.

6. Non-competition Agreement.

(a) Competition with the Company. Except as otherwise provided in this Agreement, during the Initial Term or any Renewal Term and for a period of one year commencing on the date of expiration or earlier termination of employment under this Agreement, the Executive, directly or indirectly, in association with or as a stockholder, director, officer, consultant, employee, partner, joint venturer, member or otherwise of any person, firm, corporation, partnership, association or other entity, will not engage in any conduct that is competitive with any business actually conducted by the Company in any geographic area then served by the Company (the "Territory").

(b) Solicitation of Customers. During the period in which the provisions of Section 6(a) shall be in effect, the Executive, directly or indirectly, will not approach or seek business that is competitive with any business actually conducted by the Company in the Territory from any Customer (as defined below) on behalf of any enterprise or business, refer business from any Customer to any enterprise or business or be paid commissions based on sales received by any enterprise or business from any Customer. For purposes of this Section 6(b), the term "Customer" means any person, firm, corporation, partnership, association or other entity to which the Company provided services during the 12-month period prior to the time at which any determination must be made whether any such person, firm, corporation, partnership, association or other entity is a Customer.

(c) Reasonableness of Restrictions. The Executive expressly agrees that the character, duration and geographical scope of the provisions of this Section 6 are reasonable in light of the circumstances as they exist on the date hereof. Should a decision, however, be made at a later date by a court of

competent jurisdiction that the character, duration or geographical scope of such provisions is unreasonable, then it is the intention and the agreement of the Executive and the Company that this Agreement shall be construed by the court in such a manner as to impose only those restrictions on the Executive's conduct that are reasonable in the light of the circumstances and as are necessary to assure to the Company the benefits of this Section.

7. Nondisclosure of Confidential Information.

The Executive acknowledges that during his employment he will have access to confidential information regarding the Company, including without limitation (a) confidential or secret plans, programs, documents, agreements or other material relating to the business, services or activities of the Company and (b) trade secrets, market reports, customer investigations, customer lists and other similar information that is proprietary information of the Company (collectively referred to as "Confidential Information"). The Executive acknowledges that such Confidential Information as is acquired and used by the Company is a special, valuable and unique asset of the Company. In addition, all records, files, and other materials obtained by the Executive in the course of his employment with the Company shall remain the property of the Company. The Executive will not use such property of the Company for his own benefit or the benefit of any person or entity with which he may be associated. During the Initial and any Renewal Terms and for a period of two years thereafter, Executive will not disclose any Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever without the prior written consent of the Company. The obligations of this Section shall not apply to (i) information that enters the public domain without a breach of this Agreement by the Executive or (ii) information developed by or known to the Executive independently of disclosure to him by the Company.

8. Specific Performance.

(a) If the Executive shall take any action in violation of Sections 6 or 7, the Company will be entitled to institute and prosecute proceedings in any court of competent jurisdiction to enjoin the Executive from breaching the provisions of such Sections. Nothing contained in this Section 8 shall be construed to prevent the Company from seeking such other remedy in the courts, in case of any breach of this Agreement by the Executive, as the Company may elect.

(b) If any of LOCATE or the Companies shall take or threaten to take any action to diminish Executive's rights under Sections 3(c), 3(d), 5(a) or 5(e), then Executive will be entitled to institute and prosecute proceedings in any court of

competent jurisdiction to enjoin such action and/or requiring LOCATE or either of the Companies to specifically perform its obligations under such Sections. Nothing contained in this Section 8 shall be construed to prevent the Executive from seeking a similar remedy or any other remedy available to the Executive in the Courts or otherwise in case of any breach of this Agreement by any party bound hereby, as the Executive may elect.

9. Consent to Jurisdiction.

Any proceeding or action seeking to enforce any right under this Agreement, at law or in equity, may be commenced in any competent Federal or state court in the state of Executive's Work Location. The Executive, LOCATE and the Companies irrevocably and unconditionally submit to the jurisdiction of such courts and agree to take any and all future action necessary to submit to the jurisdiction of such courts and irrevocably waive any objection that they now have or hereafter may have to the laying of venue of any suit, action or proceeding brought in any such court and further irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment in any such suit shall be conclusive and may be enforced in other jurisdictions by suit on the judgment, a certified or true copy of which shall be conclusive evidence of the fact and the amount of any indebtedness or liability therein described, or by appropriate proceedings under any applicable treaty or otherwise.

10. Assignability.

The rights and obligations of the parties under this Agreement shall inure to the benefit of and be binding upon their respective successors and assigns. Except as expressly provided in this paragraph, no party may assign its rights and obligations hereunder; and any attempt to do so will be void. The parties expressly acknowledge that it is their intent that the Executive shall be employed as Vice President and Regulatory Counsel and Secretary of the Company and its successors and shall serve as Secretary of the Holding Company and its successors, and they agree to execute such additional instruments as may be necessary to fully effect such intent. LOCATE and the Companies shall promptly provide to the Executive such financial or other information as the Executive may reasonably request for the purpose of verifying the performance by such companies of their obligations hereunder.

11. Severability.

If any provision of this Agreement otherwise is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative in such state or jurisdiction and shall not be part of the consideration moving from any of the parties to any other. The remaining provisions of this Agreement shall be valid and binding and of like effect as though such provision were not included.

12. Notice.

Notices given pursuant to the provisions of this Agreement shall be sent by certified mail, postage prepaid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following addresses:

To LOCATE or the Companies:

Local Area Telecommunications, Inc.
17 Battery Place
Suite 1200
New York, New York 10004-1256
Attention: Chairman of the Board of Directors
Telephone: (212) 509-5115
Telecopier: (212) 809-5828

To the Executive:

Gene P. Belardi
131 Minor Road
Sterling, Virginia 20165

Any party may from time to time designate any other address to which any such notice to it or him shall be sent. Any such notice shall be deemed to have been delivered upon receipt as herein before provided.

13. Miscellaneous.

(a) Continuing Effect. Unless otherwise expressly provided herein, any provision of this Agreement that would by its terms or natural import survive the expiration of this Agreement pursuant to Section 1 or termination pursuant to Section 5 shall so survive.

(b) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with laws of the State of New Jersey, without giving effect to the conflict of laws rules thereof.

(c) Waiver: Amendment. The waiver by any party to this Agreement of a breach of any provision hereof by any other party shall not be construed as a waiver of any subsequent breach. No provision of this Agreement may be terminated, amended, supplemented, waived or modified other than by an instrument in writing signed by the party against whom the enforcement of the termination, amendment, supplement, waiver or modification is sought.

(d) Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes any prior agreement or understanding.

IN WITNESS WHEREOF, LOCATE, the Companies and the Executive have executed this Agreement as of the day and year first above written.

LOCAL AREA
TELECOMMUNICATIONS, INC.
By: [Signature]
Title: PRESIDENT & CEO

MOBILEMEDIA CORPORATION
By: [Signature]
Title: CHAIRMAN

MOBILEMEDIA COMMUNICATIONS, INC.
By: [Signature]
Title: CHAIRMAN

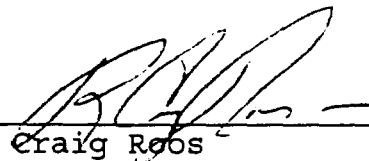
[Signature]
Gene P. Belardi

ADDENDUM

This addendum, dated as of September 14, 1993 is entered into between Local Area Telecommunications, Inc., a New York corporation; MobileMedia Corporation, a Delaware corporation; MobileMedia Communications, Inc. a Delaware corporation; and Gene P. Belardi ("Executive") and amends the September 14, 1993 Employment Agreement between the above parties by adding the following sentence to the end of subsection 6(c) as follows:

Notwithstanding any provision of this Section 6, nothing herein shall be construed to prevent the Executive from engaging in the private practice of law upon termination of his employment hereunder.

LOCAL AREA TELECOMMUNICATIONS, INC.



R. Craig Roos
President

Gene P. Belardi

June 23, 1994

Local Area Telecommunications, Inc.
17 Battery Place
Suite 1200
New York, New York 10004-1256
Attn: Chairman of the Board

Dear Sir:

Please consider this letter as my notice of termination of my employment with Local Area Telecommunications, Inc., MobileMedia Communications, Inc. and MobileMedia Corporation under Section 5 (e) (e) (i) of my Employment Agreement dated September 14, 1993. Under the contract, such termination is to be effective immediately upon your receipt of this notice. However, in view of my continuing interest in the Company's welfare, I would be willing to remain in a mutually agreeable capacity for a reasonable time during the transition period.

I have attached to this notice a list of the benefits to which I am entitled under Section 5 (a) of the Employment Agreement. Under the Employment Agreement all termination benefits are to be paid and executed within 5 days of the effective day of termination. I will contact you to arrange for the payment and execution of these benefits.

Sincerely,


Gene Belardi

cc: Mr. R. Craig Roos
Mr. Jack Bunce

**Instructions on Implementation of Constructive Termination Provisions of Employment Agreement
of Gene Belardi**

1. Within five days of effective date of termination, pay Mr. Belardi the following amount equal to two times his current total annual salary: \$350,000 (2 X \$175,000)
2. Provisions of contract related to Incentive Payments (paragraph 3 (b); 5 (a) (ii); etc. of Mr. Belardi's Employment Agreement) should remain in force.
3. Provide documents to indicate that Mr. Belardi's options for 44,922 shares are fully vested and exercisable for 10 years at \$14.00 per share (paragraph 3(c); 5 (a) (iii); etc. of Mr. Belardi's Employment Agreement).
4. Provide Mr. Belardi comprehensive medical and health insurance including dental and vision coverage and access to discount prescription program until December 31, 1998. This is family coverage consistent with his current benefits.
5. Provide Mr. Belardi the following insurance policies which should extend until December 31, 1998:
 1. \$500,000 individual term life
 2. \$150,000 group term life
 3. \$500,000 individual accidental death and dismemberment
 4. Short term and long term disability insurance
6. Pay Mr. Belardi an amount of \$74,383.49 equal to his vacation pay for the five years as follows:

(\$175,000.00 X 4/52)
(\$183,750.00 X 4/52)
(\$192,937.50 X 4/52)
(\$202,584.38 X 4/52)
(\$212,713.59 X 4/52)
7. Provide Mr. Belardi Skyword paging services or its equivalent until December 31, 1998.
8. Pay Mr. Belardi a personal auto allowance of \$500 per month until December 31, 1998. In order to minimize administrative costs, pay it in a lump sum.

\$27,000 (54 months X \$500/month)
9. Pay an amount equal to \$100/month (an average usage) for cellular telephone benefit for Mr. Belardi until December 31, 1998. In order to minimize administrative costs, pay it in a lump sum.

\$5,400 (54 months X \$100.00/month)

Mr. Belardi will provide details of which cellular carrier provides his cellular service.



MobileMedia

Paging and PersonalCom Services

September 26, 1994

Mr. Gene P. Belardi
131 Minor Road
Sterling, VA 20165

Dear Gene:

Pursuant to your notice of termination of employment with Local Area Telecommunications Inc., MobileMedia Communications, Inc. and MobileMedia Corporation, the following list describes the payments and other consideration due to you under your Employment Agreement:

- 1) Three hundred fifty thousand dollars (\$350,000.00) which is equal to two times your current annual salary and was paid to you on August 8, 1994;
- 2) Provisions of your Employment Agreement related to Incentive Payment will remain in force;
- 3) Forty-four thousand nine hundred twenty-two (44,922) options to purchase MobileMedia Corporation Class A Common Stock, are fully vested and exercisable for the original term of 10 years expiring December 1, 2003 at \$14.00 per share;
- 4) Comprehensive medical and health insurance including dental and vision coverage and access to a discount prescription program will be provided until December 31, 1998;
- 5) The same life, disability, accidental death and dismemberment insurance currently provided to employed executives shall be provided until December 31, 1998;
- 6) Skyword paging services or its equivalent shall be provided until December 31, 1998; and
- 7) Personal auto allowance equal to \$500.00 per month for the period August 1, 1994 through December 31, 1998, or twenty six thousand five hundred dollars (\$26,500.00) which was paid to you on August 8, 1994.

Very truly yours,

SJP:sbt

cc: J. Kealey
65 Challenger Road
Ridgefield Park, NJ 07660-2107

SEP 26 RECD
JMK

Phone: 201 440-8400
Fax: 201 440-2889

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of January 1, 1995, is entered into between MobileMedia Communications, Inc., a Delaware Corporation ("Company") and Gene P. Belardi (the "Executive").

RECITALS:

A. Company is engaged in the business of providing radio paging and other telecommunications services throughout the United States and desires to retain the Executive as Vice President and Regulatory Counsel of the Company.

B. The Executive is willing to accept employment with the Company on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, Company and Executive agree as follows:

1. Term of Employment. Subject to the termination provisions hereinafter set forth, the Company will employ the Executive, and the Executive accepts employment with the Company, for a period of one year ("Term") commencing on January 1, 1995 (the "Effective Date"). The Term shall be automatically renewed for successive one year periods unless either party gives 30 days written notice of nonrenewal.

2. Duties. The Executive will serve as Vice President and Regulatory Counsel of the Company and will discharge such duties and responsibilities, and enjoy such authorities, as are customary for such office. The Executive will devote his full time and attention to the affairs of the Company and will not enter the employ of or serve as a consultant to, or in any way perform any services, with or without compensation, for any other person, business or organization, where such conduct would be inconsistent with, or prevent Executive from carrying out, his duties under this Agreement. The Executive shall be indemnified by the Company for all acts performed as an officer, to the extent permitted by law.

3. Compensation and Expenses.

(a) Salary. During the Term, the Company will pay the Executive an annual salary of \$150,000; provided that such salary may be reduced to the extent that the Executive elects to defer any portion thereof under the terms of any deferred compensation or savings plan maintained by the Company. The Company will pay the Executive his salary in equal installments no less frequently than monthly.

(b) Incentive Payment. The Executive shall be entitled to the incentive payments set forth in Section 3(b) of the Employment Agreement dated September 14, 1993.

(c) Options. The Executive shall be entitled to the options and related benefits set forth in Section 3(c) of the Employment Agreement dated September 14, 1993. It is specifically acknowledged by the Company that the anti-dilution and registration rights provisions of Section 3(c)(iv) of the Employment Agreement dated September 14, 1993 remain in effect. It is also specifically acknowledged that the options are fully vested as set forth in the letter dated September 26, 1994 from Santo J. Pittsman on behalf of the Company to the Executive.

(d) Severance. The Executive shall be entitled to the severance and continued benefits set forth in Section 5(a) of the Employment Agreement dated September 14, 1993. Executive agrees that he is entitled to no further severance or benefits, whether pursuant to contract or Company policy, in the event his employment with the Company is terminated, regardless of whether such termination is voluntary or involuntary.

(e) Expenses. The Company will reimburse the Executive for all reasonable travel, entertainment and miscellaneous expenses incurred in connection with the performance of his duties under this Agreement, provided that the Executive properly accounts for such expenses in accordance with the Company's practices. The Executive shall be entitled to reimbursement of relocation expenses in the event that the Company moves the Executive's work location to a place more than 50 miles farther from his residence than his current work location, as provided in paragraph 3(d) of the Employment Agreement dated September 14, 1993. Commencing January 1, 1999, if the Executive is still employed by the Company, the Company will pay Executive an allowance of no less than \$500.00 per month for Executive's personal automobile costs.

4. Benefits.

(a) Vacation. For each calendar year during the Term of this Agreement, the Executive will be entitled to four weeks of paid vacation without loss of compensation or other benefits to which he is entitled under this Agreement, to be taken at such times as the Executive may select and the affairs of the Company may permit and prorated for any partial calendar year.

(b) Employee Benefit Program. Without limiting the compensation to which the Executive is entitled pursuant to the provisions of Section 3 or this Section 4, the Executive will be entitled during the term of this Agreement to participate in any stock option, pension, insurance or other benefit plan that is maintained at that time by the Company for executive employees, including programs of life and medical insurance and reimbursement of membership fees in professional organizations.

(c) Life Insurance. The Company will pay the premium for a term life insurance policy on the Executive's life in the principal amount of \$500,000, which policy shall be owned by the Executive or his designee and the beneficiary of which shall be designated by the Executive. The Company shall also provide the Executive an accidental death and dismemberment policy with the same characteristics regarding principal amount, ownership and designation of beneficiaries.

5. Investment Obligation. Executive shall invest \$75,000 of his own funds in the Company's stock at the price that the stock is offered to the public if and when the Company first issues stock to the public, provided that the Company first issues stock to the public within 18 months of January 1, 1995 and further provided that the opportunity to invest is made available to Executive. The obligations of this Section shall expire in the event of a "change in control" of the Company (other than in the case of an initial public offering). A change in control shall be deemed to have occurred in the event that Hellman & Friedman Capital Partners II, L.P. and its affiliates (a) no longer have the power to elect a majority of the Company's board of directors and (b) no longer hold more than 50.1 percent of the Company's voting stock.

6. Termination.

(a) Termination by the Company Without Cause. The Company may terminate the Executive's employment under this Agreement without cause at any time by giving written notice to the Executive. Such termination will become effective upon the date specified in such notice, provided that such date is at least 30 days after the date of such notice.

(b) Termination by the Company for Cause. The Company may immediately terminate the Executive's employment at any time for cause by giving written notice to the Executive. For purposes of this Section 6(b), "cause" shall mean: (i) the Executive is convicted of a felony; (ii) the Executive, in carrying out his duties hereunder, willfully committed acts involving dishonesty or fraud or has been guilty of gross negligence or other willful misconduct; or (iii) the Executive breached this Agreement and failed to comply within 15 days after written notice had been given to the Executive by the Company.

(c) Termination by the Executive. The Executive may terminate his employment under this Agreement at any time by giving written notice to the Company. Such termination will become effective upon the date specified in such notice, provided that such date is at least 30 days after the date of such notice.

(d) Death or Disability. This Agreement and the obligations of the Company hereunder will terminate upon the death or disability of the Executive.

(e) Acknowledgement of Certain Benefits. In the event of termination of this Agreement prior to January 1, 1999 (or expiration of this Agreement at the end of any one-year term prior to January 1, 1999), the Company acknowledges that the severance and continuation of benefits set forth in Section 5(e) of the Employment Agreement dated September 14, 1993 (and described in the letter dated September 26, 1994 from Santo J. Pittsman on behalf of the Company to the Executive) will apply.

7. Non-Competition. The Company acknowledges that the one-year term of Executive's agreement not to compete with the Company, set forth in paragraph 6 of the Employment Agreement dated September 14, 1993, began to run on June 23, 1994, the date of Executive's termination of his employment under said Employment Agreement.

8. Non-Disclosure of Confidential Information. The Executive acknowledges that during his employment he will have access to (a) confidential or secret plans, programs, documents, agreements, internal management reports, financial information or other material relating to the business, services or activities of the Company, and (b) trade secrets, market reports, customer investigations, customer lists and other similar information that is proprietary information of the Company (collectively referred to as "Confidential Information"). The Executive acknowledges that such Confidential Information as is acquired and used by the Company is a special, valuable and unique asset of the Company. In addition, all records, files and other materials obtained by the Executive in the course of his employment with the Company shall remain the property of the Company. The Executive will not use Confidential Information or property of the Company for his own benefit or the benefit of any person or entity with which he may be associated. The Executive will not disclose any Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever without the prior written consent of the Company. The obligations of this Section shall not apply to (i) information that enters the public domain without a breach of this Agreement by the Executive or (ii) information developed by or known to the Executive independently of disclosure to him by the Company.

9. Specific Performance. If the Executive shall take any action in violation of Sections 7 or 8, the Company will be entitled to institute and prosecute proceedings in any court of competent jurisdiction to enjoin the Executive from breaching the provisions of such Sections. Nothing contained in this Section 9 shall be construed to prevent the Company from seeking such other remedy in the courts, in case of any breach of this Agreement by the Executive, as the Company may elect.

10. Arbitration. The Company and Executive agree that any controversy or claim (contract, tort or statutory) under federal, state or local law between Company and Executive arising out of

Executive's employment with the Company including, without limitation, the construction or application of any of the terms, provisions or conditions of this Agreement, shall, on written request of either party served upon the other, be submitted to final and binding arbitration. Such arbitration shall be conducted according to the Model Employment Arbitration Procedures of the American Arbitration Association, except as otherwise provided herein. The arbitration shall be conducted before the American Arbitration Association or such other arbitration service as the parties may, by mutual agreement, select. The arbitrator shall be appointed by agreement of the parties hereto or, if no agreement can be reached, by the American Arbitration Association pursuant to its rules.

Judgment on the award the arbitrator renders may be entered in any court having jurisdiction over the parties. The arbitration shall be conducted in New Jersey or such other jurisdiction as the Company's headquarters may be located. Costs, including attorneys' fees, may be sought by the prevailing party and awarded by the Arbitrator. This paragraph shall survive the expiration or termination of this Agreement. If any part of this paragraph is found to be void as a matter of law or public policy, the remainder of the paragraph will continue to be in full force and effect.

11. Miscellaneous.

(a) Continuing Effect. Unless otherwise expressly provided herein, any provision of this Agreement that would by its terms or natural import survive the expiration of this Agreement pursuant to Section 1 or termination pursuant to Section 6 shall also survive.

(b) Assignment. The rights and obligations of the parties under this Agreement shall inure to the benefit of and be binding upon their respective successors and assigns. The Executive agrees that the Company may assign its rights and obligations under this Agreement to any successor-in-interest. The Executive may assign his rights and obligations hereunder only with the express written consent of the Company, except that the rights under this Agreement shall inure to the benefit of the Executive's heirs or assigns in the event of his death. Except as expressly provided in this paragraph, no party may assign its rights and obligations hereunder; and any attempt to do so will be void.

(c) Severability. If any provision of this Agreement otherwise is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Agreement shall be considered divisible as to such provision, and such provision shall be inoperative in such state or jurisdiction and shall not be part of the consideration moving from any of the parties to any other. The

remaining provisions of this Agreement shall be valid and binding and of like effect as though such provision were not included.

(d) Notice. Notices given pursuant to the provisions of this Agreement shall be delivered personally or sent by certified mail, postage prepaid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following addresses:

To the Company:

MobileMedia Communications, Inc.
65 Challenger Road
Ridgefield Park, New Jersey 07660
Attention: General Counsel
Telephone: (201) 393-4689
Telecopier: (201) 440-1303

To the Executive:

Gene P. Belardi
MobileMedia Communications, Inc.
2101 Wilson Boulevard, Suite 935
Arlington, VA 22201
Telephone: (703) 312-5152

Any party may, from time to time, designate any other address to which any such notice to it or him shall be sent. Any such notice shall be deemed to have been delivered upon receipt.

(e) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with laws of the State of New Jersey, without giving effect to the conflict of laws rules thereof.

(f) Waiver; Amendment. The waiver by any party to this Agreement of a breach of any provision hereof by any other party shall not be construed as a waiver of any subsequent breach. No provision of this Agreement may be terminated, amended, supplemented, waived or modified other than by an instrument in writing, signed by the party against whom the enforcement of the termination, amendment, supplement, waiver or modification is sought.

(g) Entire Agreement. Except as specified in Section 3 of this Agreement and the letter dated September 26, 1994 from Santo J. Pittsman on behalf of the Company to the Executive, this Agreement represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes any previous agreement or understanding; provided, however, that nothing in this Agreement shall diminish the Executive's rights and benefits (a) that came into being by reason of the Executive's termination under the Employment Agreement dated September 14, 1993 and (b) under the letter dated

September 26, 1994 from Santo J. Pittsman on behalf of the Company to the Executive.

IN WITNESS WHEREOF, the Company and the Executive have executed this Agreement as of the day and year first above written.

MOBILEMEDIA COMMUNICATIONS, INC.


GENE P. BELARDI

By: _____

Title: _____

Gene P. Belardi

MOBILEMEDIA MEMORANDUM

To: Gene Belardi
From: Ken McVay 
Date: February 28, 1995
Subject: Your Employment Agreement

Enclosed please find two copies of your employment agreement executed by Greg Rorke on behalf of MobileMedia Communications. Please sign each copy, retain one for your records, and return the other fully executed copy to my attention.

As you know, the enclosed agreement incorporates the suggestions of Rudy and your joint counsel. Of course, if you have any additional questions or comments please do not hesitate to call me.

Gene, I cannot tell you in words how happy I am that you decided to stay with MobileMedia. I very much look forward to a long-lived professional and personal relationship between us.

MobileMedia

65 Challenger Road
Ridgefield Park, NJ 07560

Telephone 201/440 8400
Fax 201/440 2889

VIA CERTIFIED MAIL/
RETURN RECEIPT REQUIRED

March 7, 1997



MobileMedia

Mr. Gene Belardi
131 Minor Road
Sterling, VA 20165

Dear Gene:

As you are probably aware, MobileMedia Corporation and its subsidiaries ("MobileMedia") filed for protection under Chapter 11 of the Bankruptcy Code on January 30, 1997. Because of this filing, MobileMedia is no longer in a position to pay for any benefits previously provided to you regardless of their nature. Therefore, this letter serves as formal notification that all current and future benefits, provided under the agreement terminating your employment with MobileMedia, are hereby terminated. You will receive formal notification of the rejection of that agreement in due course.

The following information relates specifically to any health and/or life insurance benefits currently provided to you:

- Your health benefits will be continued through March 31, 1997. Under separate cover, you will notified of your COBRA continuation rights with respect to such health benefits. If you wish to continue your health benefits, you will able to do so at your own cost for the period prescribed by law, which is typically eighteen months.
- Your life insurance premium has been paid to extend coverage through April 17, 1997. Your accidental death and dismemberment premium has been paid to extend coverage through September 30, 1997. The insurance carriers will be notified to send the next premium notice directly to you in the event that you wish to continue the above coverages.

Any other benefits you may or would receive from the company will be terminated as well.

If you have any questions, please contact Tracey Zimmerman at 201-462-4926 or, with respect to your health and life benefits, Lynne Oldham at 201-462-4934.

Very truly yours,

Santo J. Pittsman

EXHIBIT 2

MobileMedia Communications, Inc.
Claims Processing
P.O. Box 5075
FDR Station
New York, NY 10150
PROOF OF CLAIM

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" of payment of an administrative expense may be filed pursuant to 11 U.S.C. section 503.

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check box if your address differs from the address on the envelope sent to you by the court. Indicate correct address.

United States Bankruptcy Court
District of Delaware
In Re: MobileMedia Communications, Inc., et al.
Chapter 11 Case No: 97-174 (PJW)
(Jointly Administered)

THE ORIGINAL OF THIS COMPLETED PROOF OF CLAIM MUST BE SENT SO THAT IT IS RECEIVED ON OR BEFORE 4:00 P.M., EASTERN TIME, ON JUNE 16, 1997.

IF THE PROOF OF CLAIM IS SENT BY MAIL, SEND TO:
MOBILEMEDIA COMMUNICATIONS, INC. CLAIMS PROCESSING
POST OFFICE BOX 5075
FDR STATION
NEW YORK, N.Y. 10150

If the proof of claim is sent by hand delivery or courier, deliver to: Bankruptcy Services LLC, Attn: Laura Campbell, 70 East 55th Street, 6th Floor, New York, NY 10022

KEALEY, JOHN M.
659 WESTBROOK ROAD
RIDGEWOOD, NJ 07450

FILED / RECEIVED

JUN 16 1997

ORIGINAL

BANKRUPTCY SERVICES, INC. MobileMedia Communications, Inc., et al.
97-174 (PJW)
01905

ACCOUNT OR OTHER NUMBER BY WHICH CREDITOR IDENTIFIES DEBTOR		<input type="checkbox"/> transfers <input type="checkbox"/> replaces <input type="checkbox"/> amends a previously filed claim, dated: _____	
1. BASIS FOR CLAIM <input type="checkbox"/> Goods sold <input checked="" type="checkbox"/> Services performed <input type="checkbox"/> Money loaned <input type="checkbox"/> Taxes		<input type="checkbox"/> Personal injury/wrongful death <input type="checkbox"/> Executory Contract <input type="checkbox"/> Real Property Lease <input type="checkbox"/> Equipment Lease <input type="checkbox"/> Other (Describe briefly) <input type="checkbox"/> Wages, salaries, and compensation (Fill out below) Your social security number: _____ Unpaid compensation for services performed date from _____ to _____ <input type="checkbox"/> Retiree benefits as defined in 11 U.S.C. section 1114(a)	
2. DATE DEBT WAS INCURRED JUNE 23, 1994		3. IF COURT JUDGMENT, DATE OBTAINED:	
4. CLASSIFICATION OF CLAIM. Under the Bankruptcy Code all claims are classified as one or more of the following: (1) Unsecured Nonpriority, (2) Unsecured Priority, (3) Secured. It is possible for part of a claim to be in one category and part in another. CHECK THE APPROPRIATE BOX OR BOXES that best describe your claim and STATE THE AMOUNT OF THE CLAIM AT TIME CASE FILED.			
<input type="checkbox"/> SECURED CLAIM \$ Attach evidence of perfection of security interest Brief Description of Collateral: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other (Describe briefly) Amount of arrearage and other charges at time case filed included in secured claim above, if any \$ _____		<input type="checkbox"/> UNSECURED PRIORITY CLAIM \$ Specify the priority of the claim. <input type="checkbox"/> Wages, salaries, or commissions (up to \$4,000*), earned not more than 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier-11 U.S.C. sec. 507(a)(3) <input type="checkbox"/> Contributions to an employee benefit plan-11 U.S.C. sec. 507(a)(4) <input type="checkbox"/> Up to \$1,800* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use-11 U.S.C. sec. 507(a)(6) <input type="checkbox"/> Alimony, maintenance, or support owed to a spouse, former spouse, or child-11 U.S.C. sec. 507(a)(7) <input type="checkbox"/> Taxes or penalties of governmental units-11 U.S.C. sec. 507(a)(8) <input type="checkbox"/> Other-Specify applicable paragraph of 11 U.S.C. sec. 507(a) _____ *Amounts are subject to adjustment on 4/1/98 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
<input checked="" type="checkbox"/> UNSECURED NONPRIORITY CLAIM \$ 1,180,176.70 A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.			
5. TOTAL AMOUNT OF CLAIM AT TIME CASE FILED: \$ 1,180,176.70 (Unsecured) (Secured) (Priority)		\$ 1,180,176.70 (Total)	
<input type="checkbox"/> Check this box if claim includes charges in addition to the principal amount of the claim. Attach itemized statement of all additional charges.			
6. CREDITS AND SETOFFS: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim. In filing this claim, claimant has deducted all amounts that claimant owes to debtor.		FILED THIS SPACE IS FOR COURT USE ONLY JUN 16 1997 BANKRUPTCY SERVICES, INC.	
7. SUPPORTING DOCUMENTS: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, or evidence of security interests. If the documents are not available, explain. If the documents are voluminous, attach a summary.			
Date JUNE 12, 1997 Phone (201) 444-9610	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any) John M. Kealey John M. Kealey		

Supporting Documents for Proof of Claim Form
Relating to the Chapter 11 Case No. 97-174 (PJW) of MobileMedia Communications, Inc., et al.

Claimant: John M. Kealey
659 Westbrook Road
Ridgewood, NJ 07450

The basis for this claim is an Employment Agreement dated September 14, 1993, between Local Area Telecommunications, Inc., MobileMedia Corporation, and MobileMedia Communications, Inc. (collectively "Company") and John M. Kealey ("Mr. Kealey") ("Employment Agreement") provided here as Exhibit I. Also relevant is a letter dated June 23, 1994, from Mr. Kealey to the Company which was a notice of constructive termination of his employment ("Termination Letter"), provided here as Exhibit II, including, as an Attachment to the Termination Letter, specific instructions on implementation of pertinent termination provisions of the Employment Agreement. In addition, also relevant is Mr. Kealey's employment agreement dated December 1, 1994, Exhibit III.

Since Mr. Kealey received a letter from the Company dated March 7, 1997 ("Bankruptcy Letter"), provided here as Exhibit IV, stating that "MobileMedia is no longer in a position to pay for any benefits previously provided you (Mr. Kealey) regardless of their nature," the following items represent the calculations and summary of the benefit amounts contractually owed to Mr. Kealey by the Company.

1. In accordance with the Employment Agreement, and reiterated in the Termination Letter, an Incentive Payment in the amount of \$300,000 was earned by Mr. Kealey as of December 31, 1996, which liability was to be paid no later than 90 days thereafter, based on the achievement by the Company of earnings before depreciation, amortization, interest, and taxes ("EBDAIT") of at least \$82.2 million ("1996 Target Operating Cash Flow") for the twelve-month period ended December 31, 1996. Based on the Company's financial results for nine months ended September 30, 1996, which, as of the filing of this claim, is the latest 1996 reported EBDAIT for the Company, the reported EBDAIT was \$122.05 million. As further specified in the Employment Agreement, the Company's reported EBDAIT should be increased by an amount equal to the aggregate net proceeds of the sale of its specialized mobile radio assets and/or business, divided by five (5). The gross proceeds of the 1994 sale of the specialized mobile radio assets were \$25 million. The transaction fees and expenses were \$1 million resulting in net proceeds to the Company of \$24 million, which divided by 5 yields a positive adjustment to reported EBDAIT of \$4.8 million. Therefore, the Company's 1996 EBDAIT, for nine months ended September 30, 1996, after the adjustment for the sale of the specialized mobile radio assets, is \$126.85 million (\$122.05 million plus \$4.8 million), which exceeds the 1996 Target Operating Cash Flow. Thus, the \$300,000 Incentive Payment is due and payable to Mr. Kealey, and \$300,000 represents its present value as of January 30, 1997 ("Filing Date"), the day MobileMedia filed for protection under Chapter 11 of the Bankruptcy Code, since this day falls within the 90-day payment window.

2. In accordance with the Employment Agreement, and reiterated in the Termination Letter, an Incentive Payment in the amount of \$1,000,000 is due Mr. Kealey as of December 31, 1998 based on the achievement of Company earnings before depreciation, amortization, interest and taxes ("EBDAIT") of at least \$125.1 million ("1998 Target Operating Cash Flow") for the twelve-month period ended December 31, 1998. As calculated in item 1 above, the Company's 1996 EBDAIT, for nine months ended September 30, 1996, after the adjustment for the sale of the specialized mobile radio assets, is \$126.85 million, which exceeds the 1998 Target Operating Cash Flow. As a result, the \$1,000,000 Incentive Payment is a contingent liability of the Company as of the Filing Date. Discounting this amount from December 31, 1998 to the Filing Date, the present value of this Incentive Payment is \$862,854.96. This amount is payable to Mr. Kealey.

3. In accordance with the Employment Agreement, and reiterated in the Termination Letter, the Company is to provide Mr. Kealey individual term life insurance in the amount of \$1,000,000 until December 31, 1998. As evidenced in the Bankruptcy Letter, subsequent to Mr. Kealey's termination without cause, the Company has provided this benefit through April 3, 1997 by means of First Colony Life

Insurance Company, policy number 2217645. The cost of this benefit from April, 1997 through December 31, 1998 is a Company liability to Mr. Kealey as of the Filing Date. Mr. Kealey has continued to keep this life insurance in force at a cost of 288.60 a quarter, for a total of \$2,020.20 for the seven (7) remaining quarters under the Employment Agreement. The present value of this obligation is \$1,871.94. This amount is payable to Mr. Kealey.

4. In accordance with the Employment Agreement, and reiterated in the Termination Letter, the Company is to provide Mr. Kealey individual accidental death and dismemberment policy ("AD&D") in the amount of \$1,000,000 until December 31, 1998. As evidenced in the Bankruptcy Letter, subsequent to Mr. Kealey's termination without cause, the Company has provided this benefit through September 30, 1997 through American Home Insurance, policy number 0535368. The cost of this benefit from October 1, 1997 through December 31, 1998 is a Company liability to Mr. Kealey as of the Filing Date. The premium to keep this AD&D insurance in force is \$1,500.00 a year, for a total of \$1,875.00 for the remaining fifteen (15) months under the Employment Agreement. The present value of this obligation is \$1,754.83. This amount is payable to Mr. Kealey.

5. In accordance with the Employment Agreement, and reiterated in the Termination Letter, the Company is to provide Mr. Kealey, until December 31, 1998, an individual disability policy providing a monthly benefit of \$7,500.00. As evidenced in the Bankruptcy Letter, subsequent to Mr. Kealey's termination without cause, the Company has provided this benefit through April 1, 1997 through Paul Revere Insurance, policy number 01027574640. The cost of this benefit from April 1, 1997 through December 31, 1998 is a Company liability to Mr. Kealey as of the Filing Date. The premium to keep this disability insurance in force is \$1,927.90 a year, for a total of \$3,373.83 for the remaining twenty-one (21) months under the Employment Agreement. The present value of this obligation is \$3,210.53. This amount is payable to Mr. Kealey.

6. In accordance with the Employment Agreement, and reiterated in the Termination Letter, the Company is to provide Mr. Kealey, comprehensive medical and health insurance, including dental and vision coverage and access to discount prescription program similar to those coverages provided to the company's executive employees, until December 31, 1998. As evidenced in the Bankruptcy Letter, subsequent to Mr. Kealey's termination without cause, the Company has provided this benefit through March 31, 1997, most recently through Aetna Life Insurance Company (PPO), Group number 697776-015-00002 and Prudential Health Care, Group number 0022740. The cost of this benefit from April 1997 through December 31, 1998 is a Company liability to Mr. Kealey as of the Filing Date. The premium to keep this coverage in force is \$540.26 per month, for a total of \$11,345.46 for the remaining twenty one (21) months under the Employment Agreement. The present value of this obligation is \$10,484.44. This amount is payable to Mr. Kealey.

Note: To obtain present value amounts in the above calculations, an annual interest rate of 8% was used. Amounts were discounted from their payment due date to the Filing Date.

Summary of Claimed Amounts
Owed to Mr. Kealey by the Company

<u>Item Number</u>	<u>Description</u>	<u>Nominal Amount</u>	<u>Present Value Amount</u>
1.	1996 Incentive Payment	\$300,000	\$300,000
2.	1998 Incentive Payment	\$1,000,000	\$862,854.96
3.	\$1 Million Life Insurance	\$2,020.20	\$1,871.94
4.	\$1 Million AD&D Insurance	\$1,875.00	\$1,754.83
5.	Disability Insurance	\$3,373.83	\$3,210.53
6.	Medical and Health Insurance	\$11,345.46	\$10,484.44

Total Amount of Claim			\$1,180,176.70
			=====

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT, dated as of September 14, 1993, is entered into between Local Area Telecommunications, Inc., a New York corporation ("LOCATE"); MobileMedia Corporation, a Delaware Corporation ("Holding Company"); MobileMedia Communications, Inc., a Delaware Corporation ("Company") and a wholly-owned subsidiary of Holding Company; and John M. Kealey (the "Executive").

RECITALS:

A. LOCATE is engaged in the business of providing various telecommunications services and has entered into an agreement ("MPS Purchase Agreement") with Southwestern Bell Corporation ("SBC") to acquire Metromedia Paging Services, Inc. ("MPS"), a wholly-owned subsidiary of SBC (the "MPS Transaction"). Holding Company intends to raise capital through the issuance, registration and sale to the public of its common shares, or a comparable private placement ("Equity Offering"), to fund a portion of the purchase price under the MPS Agreement; and the Company intends to raise capital through the issuance, registration and sale to the public of its senior subordinated notes (the "Notes Offering") to fund the balance of the purchase price under the MPS Agreement. Upon the closing of the MPS Transaction, it is anticipated that Company will merge with and into MPS with MPS as the surviving corporation, and that the surviving corporation shall assume the obligations of Company under this Agreement.

B. LOCATE, Holding Company and Company desire to engage the Executive to become the President and Chief Operating Officer ("COO") of the Company and, at the option of the Holding Company, the Chief Financial Officer ("CFO") of the Holding Company, contingent on completion and closing of the MPS Transaction.

C. The Executive is willing to accept employment as the President and COO of the Company and the CFO of the Holding Company, contingent on completion and closing of the MPS Transaction, on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, LOCATE, Company and Holding Company, jointly and severally, and the Executive agree as follows:

1. Term of Employment.

(a) Initial Term. The Company will employ the Executive, and the Executive accepts employment with the Company, for an approximate five year period (the "Initial Term") commencing on the date of completion and closing of the MPS Transaction (the "Effective Date") and ending on December 31,

1998 ("Initial Expiration Date"). (Where provisions of this Agreement apply equally to the Holding Company and the Company, such parties are collectively referred to as the "Companies.")

(b) Renewal Term. Unless earlier terminated pursuant to Section 5, the term of this Agreement shall be extended automatically for additional two year periods ("Renewal Term") commencing on the Initial Expiration Date and upon each successive biennial anniversary thereof unless written notice of an election not to renew this Agreement is given by either the Company or the Executive not less than six nor more than seven months prior to the Initial Expiration Date or any such anniversary. Any extension shall be upon the terms and conditions set forth herein unless otherwise agreed in writing.

(c) Relationship Prior to Effective Date. If the MPS Purchase Agreement terminates without a closing of the MPS Transaction, then either LOCATE or the Executive may terminate this Agreement by notice to the other parties and all obligations of all parties hereunder will be fully discharged. If the MPS Transaction is consummated by LOCATE or the Companies and any of them takes any action or omits to take any action prior to the Effective Date such that, if such action or inaction were to occur after the Effective Date, Executive would have a right to give notice of Constructive Termination under Section 5(e), below, then Executive shall have the same rights under that Section as if such action or inaction had occurred after the Effective Date. LOCATE will promptly provide Executive such information regarding the progress of the MPS Transaction and related financing, planning and similar activities as Executive may reasonably request.

2. Duties.

(a) General Duties. The Executive will serve as the President and COO of the Company, and at Holding Company's option as the CFO of the Holding Company. In such offices, the Executive will discharge such duties and responsibilities, and enjoy such authorities, as are customary for those offices. The Executive will be furnished with such staff, facilities, services and working conditions, consistent with the Companies' current practices, as are suitable to his position and adequate for the performance of his duties. The Executive will use his best efforts to perform his duties and discharge his responsibilities pursuant to this Agreement competently, carefully and faithfully.

(b) Election to Boards of Directors. LOCATE agrees to secure the Executive's election to the Board of Directors of the Holding Company; and the Holding Company agrees to secure the Executive's election to the Board of Directors of the Company and to the offices of President and COO. Such elections shall be effective on the Effective Date and, with respect to elections to

the respective boards of directors, shall be for a term no shorter than the longest term for which directors may be elected. Each of LOCATE, the Holding Company and the Company agrees to use its best efforts to maintain the Executive's continued board memberships and offices throughout the Initial and any Renewal Terms of this Agreement.

(c) Devotion of Time. The Executive will devote sufficient time, attention and energies (exclusive of periods of sickness and disability and of such normal holiday and vacation periods as have been established by the Companies) to the affairs of the Companies to fulfill the responsibilities of his office as reasonably directed from time to time by the Companies' respective Chief Executive Officers and Boards of Directors. The Executive will not enter the employ of or serve as a consultant to, or in any way perform any services with or without compensation for, any other person, business or organization, where such conduct would be inconsistent with, or prevent Executive from carrying out his duties under this Agreement, without the prior written consent of the Board of Directors of the Companies.

(d) Location. The Executive will perform his services at the offices of the Company in New Jersey, or such other place as may result from a relocation permitted hereunder, ("Work Location"), except that the Executive agrees to travel from time to time to other offices of the Company, or other locations, to the extent reasonably required for the performance of his duties. Absent his prior written consent, the Executive will not be required to relocate to any other Work Location. Except as otherwise provided herein, if the Company relocates its operations in a manner that renders impractical the Executive's performance of his duties at the Work Location, such relocation shall, at the Executive's option and effective ten days after his notice to that effect, be treated as a Constructive Termination under Section 5(e).

(e) Indemnification. LOCATE and the Companies agree that, in acting as an officer or director of the Companies, the Executive shall be indemnified to the full extent permitted by law. To that end, LOCATE and the Companies agree to enter into indemnity agreements in such form as the Executive may reasonably request.

3. Compensation and Expenses.

(a) Salary. For the services of the Executive to be rendered under this Agreement, the Company will pay the Executive an annual salary of \$250,000; provided that such salary may be reduced to the extent that the Executive elects to defer any portion thereof under the terms of any deferred compensation or savings plan maintained by the Company. The annual salary will be

reviewed annually and will be increased no less than 5% per year over the annual salary in effect in the immediately preceding year. The Company will pay the Executive his salary in equal installments no less frequently than monthly.

(b) Incentive Payment. In addition to the salary provided in Subsection (a), above, the Company shall pay the Executive incentive payments as follows:

(i) a lump sum payment in the amount of \$300,000 if the Company's earnings before depreciation, amortization interest and taxes ("EBDAIT") for the twelve month period ended December 31, 1996, is not less than \$82.2 million, as adjusted ("1996 Target Operating Cash Flow"), or in the amount of \$150,000 if EBDAIT for such period is less than 100% but not less than 90% of 1996 Target Operating Cash Flow, increased by \$15,000 for each full percent increment by which EBDAIT exceeds 90%, but in no event exceeding \$300,000; and

(ii) a lump sum payment in the amount of \$1,000,000 if the Company's EBDAIT for the twelve month period ended December 31, 1998, is not less than \$125.1 million, as adjusted ("1998 Target Operating Cash Flow"), or in the amount of \$500,000 if EBDAIT for such period is less than 100% but not less than 90% of 1998 Target Operating Cash Flow, increased by \$50,000 for each full percent increment by which EBDAIT exceeds 90%, but in no event exceeding \$1,000,000,

each of such payments to be made upon fulfillment of the conditions thereto without regard to whether this Agreement has been renewed pursuant to the provisions of Section 1(b) and in each case payable as soon as practical after the determination of EBDAIT for the relevant twelve month period, but in no event later than ninety days after the end of the relevant twelve month period. In the event that the Company sells its specialized mobile radio assets and/or business, then, for the purposes of subsections (i) and (ii), above, EBDAIT shall be increased by an amount equal to the aggregate net proceeds of such sale divided by 5. In the event a major change in the Company's business materially affects the achievability of the 1996 Operating Cash Flow Target or the 1998 Operating Cash Flow Target (each a "Target"), the Company and Executive shall negotiate in good faith to modify the Target(s) in a manner that will fairly reflect the diminished cash flow expectations.

(c) Options. On the Effective Date, the Holding Company will grant to the Executive options to purchase a number of shares of the Holding Company's Class A common stock ("Common Stock") equivalent to 0.5% of the Holding Company's total common stock issued and outstanding as of that date (the "Options") on

terms and conditions, except as otherwise provided herein, comparable to those of the Company's Employee Stock Option Plan, if any. Notwithstanding the failure of the Company to adopt an Employee Stock Option Plan or similar plan, Executive shall be granted the Options. The general terms of such Options shall include the following:

(i) the exercise price shall be the same as the price per share at which Common Stock is sold in the Equity Offering;

(ii) one-fifth of the Options will be immediately vested and exercisable and the balance will vest and become exercisable by the Executive at the end of the periods indicated in the following schedule:

<u>Months of service</u>	<u>Percent of Options Which Vest</u>
12	20%
24	20%
36	20%
48	20%

(iii) except as otherwise provided in this Agreement, the vest Options shall remain exercisable for a period of 10 years and shall not be forfeited for any reason, including the Executive's termination of employment by the Company;

(iv) provision will be made for (A) antidilution protection in the event of stock splits, stock dividends, recapitalizations and similar changes in the Holding Company's capitalization and (B) registration rights no less favorable than similar rights granted to any other holder of the Holding Company's equity, including without limitation registration of shares to be issued pursuant to the Options separately or combined with any registration of shares of the Holding Company under the Securities Act of 1933.

The failure to effect delivery to Executive of either (x) the Options substantially upon the terms described above or (y) comparable (in the reasonable opinion of Executive) options of some other issuer including substantially the same terms mutatis mutandis as provided in subclauses (i) through (iv), above, shall be treated, at the Executive's option and effective ten days after his notice to that effect, as a Constructive Termination under Section 5(e).

(e) Expenses. The Companies will reimburse the Executive for all reasonable travel, entertainment and miscellaneous expenses incurred in connection with the performance of his duties under this Agreement, provided that the Executive properly accounts for such expenses in accordance with the Companies' practices. Such reimbursement will be made in accordance with policies and procedures of the Companies in effect from time to time relating to reimbursement of executive officers. The Company will pay Executive an allowance of no less than \$500.00 per month for Executive's personal automobile costs. In the event Company moves the Executive's work Location to a place no less than fifty miles farther from Executive's residence than the Work Location prior to the relocation, then the Company will reimburse Executive for the full amount of costs incurred by Executive in changing his residence, including any losses incurred by the Executive in a sale of his residence for a price less than the acquisition cost of such residence plus improvements made thereto by the Executive, all of such costs to be grossed up for applicable federal, state and municipal taxes to the end that Executive shall not incur any tax liability for such reimbursed costs, all up to a maximum of \$100,000, unless Executive elects treatment under any relocation plan of the Company.

4. Benefits.

(a) Vacation. For each calendar year during the Initial or Renewal Terms of this Agreement, the Executive will be entitled to four weeks of paid vacation without loss of compensation or other benefits to which he is entitled under this Agreement, to be taken at such times as the Executive may select and the affairs of the Company may permit and prorated for any partial calendar year.

(b) Employee Benefit Program. Without limiting the compensation to which the Executive is entitled pursuant to the provisions of Section 3 or this Section 4, the Executive will be entitled during the term of this Agreement to participate in any stock option, pension, insurance or other benefit plan that is maintained at that time by the Companies for executive employees, including programs of life and medical insurance and reimbursement of membership fees in civic, social and professional organizations.

(c) Life Insurance. Company shall pay the premium for a term life insurance policy on Executive's life in the principal amount of \$1,000,000, which policy shall be owned by Executive or his designee and the beneficiary of which shall be designated by Executive. The Company shall also provide Executive an accidental death and dismemberment policy with the same characteristics regarding principal amount, ownership and designation of beneficiaries.

5. Termination.

(a) Termination by the Company Without Cause. The Company may terminate the Executive's employment under this Agreement without cause at any time by giving written notice to the Executive. Such termination will become effective upon the date specified in such notice, provided that such date is at least 60 days after the date of such notice. Upon any such termination:

(i) The Company will pay the Executive, within five days of the effective date of termination, an amount equal to two times his then total annual salary; and

(ii) The Company will pay the Executive any incentive payments provided in Section 3(b), when and if the conditions thereto are fulfilled without regard to termination hereunder, according to the terms thereof; and

(iii) All then unvested options granted pursuant to Section 3(c) shall become fully vested and shall remain exercisable for the full periods thereof; and

(iv) The Company will continue to maintain, for the remainder of the Initial Term or any Renewal Term during which such termination shall occur, for the benefit of the Executive, the employee benefit programs referred to in Section 4(b) that were in effect on the date of such termination and, at the Company's expense, will continue the Executive's benefits under such programs for the remainder of the Initial Term or any Renewal Term during which such termination shall occur.

The Company covenants and agrees that, after any termination under this subsection, it will continue to conduct its business in good faith to accomplish the growth objectives that are conditions to the Executive's right to receive the incentive payments provided in Section 3(c) and will refrain from taking any action designed to deprive the Executive of the benefits of that section.

In the event that any payment to the Executive under this Section shall subject Executive to payment of any tax under Section 4999 of the Internal Revenue Code or any comparable or successor tax

law, the Company shall pay the Executive whatever additional amount is necessary to reimburse the Executive for the payment of such tax.

(b) Termination by the Company for Cause. The Company may terminate the Executive's employment pursuant to the terms of this Agreement at any time for cause by giving written notice to the Executive. Unless rescinded as provided below, such termination will become effective thirty days after the giving of such notice. Upon any such termination for cause, the Executive shall have no right to compensation under Section 3 or to participate in any employee benefit programs under Section 4 for any period subsequent to the date that such termination is ratified in accordance with the terms hereof. For purposes of this Section 5(b), "cause" shall mean: (i) the Executive is convicted of a felony, without recourse to further appeal, and the felonious conduct or the conviction results or may result in material harm to the Company; (ii) the Executive, in carrying out his duties hereunder, has been guilty of willful gross negligence or willful gross misconduct resulting, in either case, in material harm to the Company or any of its affiliates; or (iii) the Executive materially breaches this Agreement. Upon receipt of a notice under this Section, the Executive shall have the right to call a special meeting of the Board of Directors, to be conducted as provided in the Company's By-laws for such a meeting, for the purpose of considering termination of the Executive for cause. Unless the Board of Directors votes to ratify the termination of the Executive, the termination shall be deemed rescinded.

(c) Death or Disability. This Agreement and the obligations of the Company hereunder will terminate upon the death or disability of the Executive. For purposes of this Section 5(c), "disability" shall mean that for a period of six months in any 12-month period the Executive is incapable of substantially fulfilling the duties set forth in Section 2 because of physical, mental or emotional incapacity resulting from injury, sickness or disease. Upon any such termination upon death or disability, the Company will pay the Executive or his legal representative, as the case may be, an amount equal to his aggregate annual salary payable under this Agreement through the end of the Initial Term or, if such termination shall occur during any Renewal Term, through the end of such Renewal Term.

(d) Termination by Executive Without Cause. The Executive may terminate his employment under this Agreement without cause at any time by giving written notice to the Company. Such termination will become effective upon the date specified in such notice, provided that such date is at least 60 days after the date of delivery of the notice. Upon any such termination:

(i) the Company shall be relieved of all of its obligations under this Agreement except for payment of salary and the provision of benefits through the effective date of termination;

(ii) the Executive shall forfeit all unvested options and, if he has been employed by the Company less than three years, his vested options shall expire unless exercised within five years of the effective date of termination; and

(iii) the Executive shall remain bound by the provisions of Section 6 and 7.

(e) Constructive Termination. In the event of any action or inaction by LOCATE or the either of the Companies or any of their respective officers, directors or shareholders that has the effect of materially limiting, diminishing or altering the responsibilities, authorities or compensation of the Executive or his enjoyment of the benefit of performance by LOCATE or the Companies as contemplated under this Agreement ("Constructive Termination"), Executive may terminate his employment under this Agreement pursuant to the provisions of this paragraph; and such termination shall not be deemed a termination pursuant to the provisions of Section 5(d). Events of Constructive Termination shall include without limitation (a) the failure to elect the Executive to or maintain his membership on any of the Boards of Directors, (b) the sale of a substantial portion of the Company's assets, (c) any merger in which the Executive does not have a comparable position in the surviving company, (d) a Change of Control of LOCATE or either of the Companies, (e) either (i) termination of the employment of Charles J. Payer, Jr. ("Payer") other than by termination by the Company for cause, termination resulting from death or disability or termination by Payer without cause or (ii) the removal of Payer from any office or board seat occupied by him as of the Effective Date, (f) any event, action or inaction provided elsewhere in this Agreement with a reference to this Section. For the purposes of this Section, "Change of Control" means the occurrence of one of the following events: (i) a "person" or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934 ("Exchange Act")) other than LOCATE and its affiliates as of the Effective Date is or becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of at least 50% of the fully diluted voting stock of either of the Companies; (ii) the individuals who at the beginning of any period of two consecutive calendar years constituted the board of directors of either of the Companies (together with any new directors whose election by such boards or nominations for election by the shareholders of either Company was approved by those members of the board of directors of either Company then still in office who either were members of such boards at the beginning of such period or whose election or nomination for

election was previously so approved) cease for any reason to constitute a majority of the members of the board of directors of either Company then in office; (iii) either of the Companies sells, conveys, transfers, leases or otherwise disposes of, all or substantially all of its property and assets to any Person; (iv) either of the Companies merges into or consolidates with any other Person and immediately after such merger or consolidation the shareholders of either of the Companies immediately prior to any such merger or consolidation own less than 50% of the voting stock of the entity surviving such merger or consolidation; (v) the Holding Company fails to own 100% of the voting stock of the Company; provided that it shall not be deemed a Change of Control if the Holding Company merges with the Company, except that, in such case, the survivor of such merger shall be substituted for the Holding Company for purposes of this definition of "Change of Control" and clause (v) shall no longer be applicable. Executive acknowledges that LOCATE and the Companies currently contemplate establishing, as of the Effective Date, boards of directors a majority of whose members will be independent, outside directors and not employees or officers of either of the Companies. Termination pursuant to this Section shall be effective immediately upon Executive's notice to that effect and, without regard to the length of service hereunder. Upon any such termination, the same rights, obligations and conditions (other than the requirement of 60 days notice) shall apply as provided for termination by the Company without cause in Section 5(a), above.

6. Non-competition Agreement.

(a) Competition with the Company. Except as otherwise provided in this Agreement, during the Initial Term or any Renewal Term and for a period of one year commencing on the date of expiration or earlier termination of employment under this Agreement, the Executive, directly or indirectly, in association with or as a stockholder, director, officer, consultant, employee, partner, joint venturer, member or otherwise of any person, firm, corporation, partnership, association or other entity, will not engage in any conduct that is competitive with any business actually conducted by the Company in any geographic area then served by the Company (the "Territory").

(b) Solicitation of Customers. During the period in which the provisions of Section 6(a) shall be in effect, the Executive, directly or indirectly, will not approach or seek business that is competitive with any business actually conducted by the Company in the Territory from any Customer (as defined below) on behalf of any enterprise or business, refer business from any Customer to any enterprise or business or be paid commissions based on sales received by any enterprise or business from any Customer. For purposes of this Section 6(b), the term "Customer" means any person, firm, corporation, partnership,

association or other entity to which the Company provided services during the 12-month period prior to the time at which any determination must be made whether any such person, firm, corporation, partnership, association or other entity is a Customer.

(c) Reasonableness of Restrictions. The Executive expressly agrees that the character, duration and geographical scope of the provisions of this Section 6 are reasonable in light of the circumstances as they exist on the date hereof. Should a decision, however, be made at a later date by a court of competent jurisdiction that the character, duration or geographical scope of such provisions is unreasonable, then it is the intention and the agreement of the Executive and the Company that this Agreement shall be construed by the court in such a manner as to impose only those restrictions on the Executive's conduct that are reasonable in the light of the circumstances and as are necessary to assure to the Company the benefits of this Section.

7. Nondisclosure of Confidential Information.

The Executive acknowledges that during his employment he will have access to confidential information regarding the Company, including without limitation (a) confidential or secret plans, programs, documents, agreements or other material relating to the business, services or activities of the Company and (b) trade secrets, market reports, customer investigations, customer lists and other similar information that is proprietary information of the Company (collectively referred to as "Confidential Information"). The Executive acknowledges that such Confidential Information as is acquired and used by the Company is a special, valuable and unique asset of the Company. In addition, all records, files, and other materials obtained by the Executive in the course of his employment with the Company shall remain the property of the Company. The Executive will not use such property of the Company for his own benefit or the benefit of any person or entity with which he may be associated. During the Initial and any Renewal Terms and for a period of two years thereafter, Executive will not disclose any Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever without the prior written consent of the Company. The obligations of this Section shall not apply to (i) information that enters the public domain without a breach of this Agreement by the Executive or (ii) information developed by or known to the Executive independently of disclosure to him by the Company.

8. Specific Performance.

(a) If the Executive shall take any action in violation of Sections 6 or 7, the Company will be entitled to institute and

prosecute proceedings in any court of competent jurisdiction to enjoin the Executive from breaching the provisions of such Sections. Nothing contained in this Section 8 shall be construed to prevent the Company from seeking such other remedy in the courts, in case of any breach of this Agreement by the Executive, as the Company may elect.

(b) If any of LOCATE or either of the Companies shall take or threaten to take any action to diminish Executive's rights under Sections 3(c), 3(d), 5(a) or 5(e), then Executive will be entitled to institute and prosecute proceedings in any court of competent jurisdiction to enjoin such action and/or requiring LOCATE or either of the Companies to specifically perform its obligations under such Sections. Nothing contained in this Section 8 shall be construed to prevent the Executive from seeking a similar remedy or any other remedy available to the Executive in the Courts or otherwise in case of any breach of this Agreement by any party bound hereby, as the Executive may elect.

9. Consent to Jurisdiction.

Any proceeding or action seeking to enforce any right under this Agreement, at law or in equity, may be commenced in any competent Federal or state court in the state of Executive's Work Location. The Executive, LOCATE and the Companies irrevocably and unconditionally submit to the jurisdiction of such courts and agree to take any and all future action necessary to submit to the jurisdiction of such courts and irrevocably waive any objection that they now have or hereafter may have to the laying of venue of any suit, action or proceeding brought in any such court and further irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Final judgment in any such suit shall be conclusive and may be enforced in other jurisdictions by suit on the judgment, a certified or true copy of which shall be conclusive evidence of the fact and the amount of any indebtedness or liability therein described, or by appropriate proceedings under any applicable treaty or otherwise.

10. Assignability.

The rights and obligations of the parties under this Agreement shall inure to the benefit of and be binding upon their respective successors and assigns. Except as expressly provided in this paragraph, no party may assign its rights and obligations hereunder; and any attempt to do so will be void. The parties expressly acknowledge that it is their intent that the Executive shall be employed as President and COO of the Company and its successors and shall serve as a member of the Board of Directors of each of the Companies and their successors, and they agree to execute such additional instruments as may be necessary to fully

effect such intent. LOCATE and the Companies shall promptly provide to the Executive such financial or other information as the Executive may reasonably request for the purpose of verifying the performance by such companies of their obligations hereunder.

11. Severability.

If any provision of this Agreement is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Agreement shall be considered divisible as to such provision and such provision shall be inoperative in such state or jurisdiction and shall not be part of the consideration moving from any of the parties to any other. The remaining provisions of this Agreement shall be valid and binding and of like effect as though such provision were not included.

12. Notice.

Notices given pursuant to the provisions of this Agreement shall be sent by certified mail, postage prepaid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following addresses:

To LOCATE or the Companies:

Local Area Telecommunications, Inc.
17 Battery Place
Suite 1200
New York, New York 10004-1256
Attention: Chairman of the Board of Directors
Telephone: (212) 509-5115
Telecopier: (212) 809-5828

To the Executive:

John M. Kealey
29 Rosslyn Court
Little Silver, New Jersey 07739

Any party may from time to time designate any other address to which any such notice to it or him shall be sent. Any such notice shall be deemed to have been delivered upon receipt as herein before provided.

13. Miscellaneous.

(a) Continuing Effect. Unless otherwise expressly provided herein, any provision of this Agreement that would by its terms or natural import survive the expiration of this Agreement pursuant to Section 1 or termination pursuant to Section 5 shall so survive.

(b) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with laws of the State of New Jersey, without giving effect to the conflict of laws rules thereof.

(c) Waiver: Amendment. The waiver by any party to this Agreement of a breach of any provision hereof by any other party shall not be construed as a waiver of any subsequent breach. No provision of this Agreement may be terminated, amended, supplemented, waived or modified other than by an instrument in writing signed by the party against whom the enforcement of the termination, amendment, supplement, waiver or modification is sought.

(d) Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes any previous agreement or understanding.

IN WITNESS WHEREOF, LOCATE, the Companies and the Executive have executed this Agreement as of the day and year first above written.

LOCAL AREA
TELECOMMUNICATIONS, INC.

By: [Signature]
Title: PRESIDENT & CEO

MOBILEMEDIA CORPORATION

By: [Signature]
Title: CHAIRMAN

MOBILEMEDIA COMMUNICATIONS, INC.

By: [Signature]
Title: CHAIRMAN

[Signature]
John M. Kealey

June 23, 1994

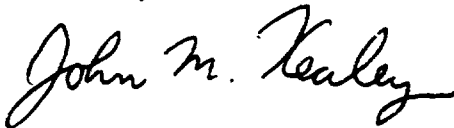
Local Area Telecommunications, Inc.
17 Battery Place
Suite 1200
New York, New York 10004-1256
Attn: Chairman of the Board

Dear Sir:

Please consider this letter as my notice of termination of my employment with Local Area Telecommunications, Inc., MobileMedia Communications, Inc. and MobileMedia Corporation under Section 5 (e) (e) (i) of my Employment Agreement dated September 14, 1993. Under the contract, such termination is to be effective immediately upon your receipt of this notice. However, in view of my continuing interest in the Company's welfare, I would be willing to remain in a mutually agreeable capacity for a reasonable time during the transition period.

I have attached to this notice a list of the benefits to which I am entitled under Section 5 (a) of the Employment Agreement. Under the Employment Agreement all termination benefits are to be paid and executed within 5 days of the effective day of termination. I will contact you to arrange for the payment and execution of these benefits.

Sincerely,

A handwritten signature in cursive script that reads "John M. Kealey". The signature is fluid and written in dark ink.

John M. Kealey

cc: Mr. R. Craig Roos
Mr. Jack Bunce

**Instructions on Implementation of Constructive Termination Provisions of Employment Agreement
of John M. Kealey**

1. Within five days of effective date of termination, pay Mr. Kealey the following amount equal to two times his current total annual salary: \$500,000 (2 X \$250,000)
2. Provisions of contract related to Incentive Payments (paragraph 3 (b); 5 (a) (ii); etc. of Mr. Kealey's Employment Agreement) should remain in force.
3. Provide documents to indicate that Mr. Kealey's options for 89,844 shares are fully vested and exercisable for 10 years at \$14.00 per share (paragraph 3(c); 5 (a) (iii); etc. of Mr. Kealey's Employment Agreement).
4. Provide Mr. Kealey comprehensive medical and health insurance including dental and vision coverage and access to discount prescription program until December 31, 1998. This is family coverage consistent with his current benefits.
5. Provide Mr. Kealey the following insurance policies which should extend until December 31, 1998:
 1. \$1,000,000 individual term life
 2. \$150,000 group term life
 3. \$1,000,000 individual accidental death and dismemberment
 4. Short term and long term disability insurance
6. Pay Mr. Kealey an amount of \$106,262.13 equal to his vacation pay for the five years as follows:

($\$250,000.00 \times 4/52$)
($\$262,500.00 \times 4/52$)
($\$275,625.00 \times 4/52$)
($\$289,406.25 \times 4/52$)
($\$303,876.56 \times 4/52$)
7. Provide Mr. Kealey Skyword paging services or its equivalent until December 31, 1998.
8. Pay Mr. Kealey a personal auto allowance of \$500 per month until December 31, 1998. In order to minimize administrative costs, pay it in a lump sum.

\$27,000 (54 months X \$500/month)
9. Pay an amount equal to \$100/month (an average usage) for cellular telephone benefit for Mr. Kealey until December 31, 1998. In order to minimize administrative costs, pay it in a lump sum.

\$5,400 (54 months X \$100.00/month)

Mr. Kealey will provide details of which cellular carrier provides his cellular service.
10. Pay to Mr. Kealey an amount equal to five years membership fees in American Institute of Certified Public Accountants and the Missouri Society of CPAs, and the SPA at Glenpointe. Fees not to exceed \$5,000.00 for the entire five year period. Mr. Kealey will provide details.

Employment Agreement

This EMPLOYMENT AGREEMENT, dated as of this 1st day of December 1994, is entered into between MobileMedia Corporation, a Delaware Corporation ("Holding Company"); MobileMedia Communications, Inc., a Delaware Corporation ("Company") and a wholly owned subsidiary of Holding Company; and John M. Kealey (the "Executive"). (Where provisions of this Agreement apply equally to the Holding Company and the Company, such parties are collectively referred to as the "Companies.")

RECITALS:

A. Holding Company and Company desire to engage the Executive as President and Chief Operating Officer ("COO") of the Companies.

B. The Executive is willing to accept employment as the President and COO of the Companies on the terms and conditions of this Agreement.

C. Except as expressly set forth herein, the parties intend for this Agreement to supersede the terms and provisions of the Employment Agreement previously executed by the parties on September 14, 1993.

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth in this Agreement, Company and Holding Company, jointly and severally, and the Executive agree as follows:

1. Term of Employment.

(a) Initial Term. Subject to the termination provisions hereinafter set forth, the Companies will employ the Executive, and the Executive accepts employment with the Companies, for an "Initial Term" commencing on the date of execution of this Agreement (the "Effective Date") and ending on December 31, 1998 ("Initial Expiration Date").

(b) Renewal Term. The term of this Agreement shall be extended automatically for additional two year periods ("Renewal Term") commencing on the Initial Expiration Date and upon each successive biennial anniversary thereof unless Executive's employment shall terminate earlier pursuant to the provisions of Section 5 hereunder.

2. Duties.

(a) General Duties. The Executive will serve as the President and COO of the Companies. In such offices, the Executive will discharge such duties and responsibilities, and enjoy such authorities, as are customary for those offices. The Executive will use his best efforts

to perform his duties and discharge his responsibilities pursuant to this Agreement competently, carefully and faithfully.

(b) Election to Boards of Directors. The Companies agree to secure the Executive's election to the Board of Directors of the Holding Company; and the Holding Company agrees to secure the Executive's election to the Board of Directors of the Company and to the offices of President and COO. Such elections shall be effective on the Effective Date and, with respect to elections to the respective boards of directors, shall be for a term no shorter than the longest term for which directors may be elected. The Companies agree to use their best efforts to maintain the Executive's continued board memberships and offices throughout the Initial and any Renewal Terms of this Agreement.

(c) Devotion of Time. The Executive will devote sufficient time, attention and energies (exclusive of periods of sickness and disability and of such normal holiday and vacation periods as have been established by the Companies) to the affairs of the Companies to fulfill the responsibilities of his office as reasonably directed from time to time by the Companies' respective Chief Executive Officers and Boards of Directors. The Executive will not enter the employ of or serve as a consultant to, or in any way perform any services with or without compensation for, any other person, business or organization, where such conduct would be inconsistent with, or prevent Executive from carrying out, his duties under this Agreement, without the prior written consent of the Board of Directors of the Companies.

(d) Location. The Executive will perform his services at the offices of the Company in New Jersey, or such other place as may result from a relocation permitted hereunder ("Work Location"), except that the Executive agrees to travel from time to time to other offices of the Company, or other locations, to the extent reasonably required for the performance of his duties. Absent his prior consent, the Executive will not be required to relocate to any other Work Location.

(e) Indemnification. The Companies agree that, in acting as an officer or director of the Companies, the Executive shall be indemnified to the full extent permitted by law. To that end, the Companies agree to enter into indemnity agreements in such form as the Executive may reasonably request.

3. Compensation and Expenses.

(a) Salary. For the services of the Executive to be rendered under this Agreement, the Companies will pay the Executive an annual salary of \$262,500; provided that such salary may be reduced to the extent that the Executive elects to defer any portion thereof under the terms of the deferred compensation or savings plan maintained by the Companies. The annual salary will be reviewed annually and (i) on December 1, 1995 will be increased no less than 5% over the annual salary in effect in the immediately preceding year, and (ii) beginning December 1, 1996 throughout the remainder of the Initial Term and any Renewal Terms the Executive shall be entitled to raises in his salary consistent with the U.S. Consumer Price Index.

The Company will pay the Executive his salary in equal installments no less frequently than monthly.

(b) Incentive Payment. In addition to the salary provided in Subsection (a) above, the Executive shall be entitled to the incentive payments set forth in Section 3(b) of the Employment Agreement previously executed by the parties on September 14, 1993.

(c) Options. The Executive shall be entitled to the options and related benefits (including, without limitation, anti-dilution and registration rights) set forth in Section 3(c) of the Employment Agreement previously executed by the parties on September 14, 1993. Holding Company hereby confirms and acknowledges that such options became fully vested and exercisable on June 23, 1994, the date of the constructive termination of the Executive's employment under said Employment Agreement.

(d) Expenses. The Companies will reimburse the Executive for all reasonable travel, entertainment and miscellaneous expenses incurred in connection with the performance of his duties under this Agreement, provided that the Executive properly accounts for such expenses in accordance with the Companies' practices. Such reimbursement will be made in accordance with policies and procedures of the Companies in effect from time to time relating to reimbursement of executive officers. The Company will pay Executive an allowance of no less than \$500.00 per month for Executive's personal automobile costs. In the event Company moves the Executive's Work Location to a place more than fifty miles farther from Executive's residence than the Work Location prior to the relocation, then the Company will reimburse Executive for the full amount of costs incurred by Executive in changing his residence, including any losses incurred by the Executive in a sale of his residence for a price less than the acquisition cost of such residence plus improvements made thereto by the Executive, all of such costs to be grossed up for applicable federal, state and municipal taxes to the end that Executive shall not incur any tax liability for such reimbursed costs, all up to a maximum of \$100,000, unless Executive elects treatment under any relocation plan of the Company.

4. Benefits.

(a) Vacation. For each calendar year during the Initial or Renewal Terms of this Agreement, the Executive will be entitled to four weeks of paid vacation without loss of compensation or other benefits to which he is entitled under this Agreement, to be taken at such times as the Executive may select and the affairs of the Company may permit and prorated for any partial calendar year.

(b) Employee Benefit Program. Without limiting the compensation to which the Executive is entitled pursuant to the provisions of Section 3 or this Section 4, the Executive will be entitled during the term of this Agreement, to participate in any stock option, pension, insurance or other benefit plan that is maintained at that time by the Companies for executive employees, including programs of life and medical insurance and reimbursement of membership fees in professional organizations.

(c) Life Insurance. Company shall pay the premium for a term life insurance policy on Executive's life in the principal amount of \$1,000,000, which policy shall be owned by Executive or his designee and the beneficiary of which shall be designated by Executive. The Company shall also provide Executive an accidental death and dismemberment policy with the same characteristics regarding principal amount, ownership and designation of beneficiaries.

5. Termination.

(a) Termination by the Company. The Companies may terminate the Executive's employment under this Agreement at any time, with or without cause, by giving written notice to the Executive. Such termination will become effective upon the date specified in such notice, provided that such date is at least 60 days after the date of such notice. Upon any such termination:

(i) The Companies will pay the Executive, within five days of the effective date of termination, an amount equal to two times his then total annual salary; and

(ii) The Companies will pay the Executive any incentive payments provided in Section 3(b), when and if the conditions thereto are fulfilled without regard to termination hereunder, according to the terms thereof; and

(iii) The stock Option previously granted to the Executive by the Holding Company referenced in Section 3(c) shall remain fully vested and shall remain exercisable for the full 10-year period thereof; and

(iv) The Companies will continue to maintain, for the remainder of the Initial Term or any Renewal Term during which such termination shall occur, for the benefit of the Executive, the employee benefit programs referred to in Section 4(b) that were in effect on the date of such termination and at the expense of the Companies, will continue the Executive's benefits under such programs for the remainder of the Initial Term or any Renewal Term during which such termination shall occur.

The Companies covenant and agree that, after any termination under this subsection, it will continue to conduct its business in good faith to accomplish the growth objectives that are conditions to the Executive's right to receive the incentive payments provided in Section 3(b) and will refrain from taking any action designed to deprive the Executive of the benefits of that section, and they shall promptly provide to the Executive such financial or other information as the Executive may reasonably request for the purpose of verifying the performance by the Companies of their obligations hereunder.

In the event that any payment to the Executive under this Section 5 shall subject Executive to payment of any tax under Section 4999 of the Internal Revenue Code or any comparable or successor tax law, the Company shall pay the Executive whatever additional amount is necessary to reimburse the Executive for the payment of such tax.

(b) Death or Disability.

(i) Upon any termination of this Agreement by reason of the death of the Executive, the Companies shall pay the Executive, his legal representative, or his estate, as the case may be, an amount equal to the greater of (i) his aggregate annual salary payable under this Agreement through the end of the Initial Term or (ii) an amount equal to two times his then total annual salary.

(ii) This Agreement shall be terminated by reason of the disability of the Executive. For purposes of this Section 5(b), "disability" shall mean that for a period of six months in any 12-month period the Executive is incapable of substantially fulfilling the duties set forth in Section 2 because of physical, mental or emotional incapacity resulting from injury, sickness or disease.

(c) Termination by Executive. The Executive may terminate his employment under this Agreement at any time, and for any reason, by giving written notice to the Companies. Such termination will become effective upon the date specified in such notice, provided that such date is at least 30 days after the date of delivery of the Notice. Upon such termination for any reason:

(i) The Companies shall pay Executive all compensation, benefits and other remuneration as provided by Section 5(a) and all subsections thereunder; and

(ii) The Executive shall remain bound by the provisions of Sections 6 and 7.

(d) Change of Control. In the event of a "change in control" of the Company, the Companies shall pay Executive the compensation provided by Section 5(a)(i), in which event the obligations of the Companies under Section 5(a)(i) shall be extinguished. A change in control shall be deemed to have occurred in the event that Hellman & Friedman Capital Partners II, L.P. and its affiliates no longer possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract, or otherwise; provided, however, that a change of control shall not be deemed to have occurred by reason of an offering or offerings of Holding Company's stock to the public.

(e) Severance. The compensation provided by Section 5(a)(i), if not paid earlier, shall be paid to the Executive no later than December 31, 1998. Except as set forth in this Agreement, Executive agrees that he is entitled to no further severance or benefits, whether pursuant to contract or company policy, in the event his employment with the Companies is terminated, regardless of whether such termination is voluntary or involuntary.

6. Non-Competition Agreement. During the Term and any Renewal Terms, and for a period of 180 days commencing only on the date of the termination of employment under this

Agreement (i) by the Executive or (ii) by the Company with cause, the Executive shall not become employed by or act as a consultant to any of the five largest paging service providers in the United States. For purposes of this Section 6, "cause" shall mean: (i) the Executive is convicted of a felony; (ii) the Executive, in carrying out his duties hereunder, willfully committed acts involving dishonesty or fraud or has been guilty of gross negligence or other willful misconduct; or (iii) the Executive breached this Agreement and failed to comply within 15 days after written notice had been given to the Executive by the Companies.

7. **Non-Disclosure of Confidential Information.** The Executive acknowledges that during his employment he will have access to (a) confidential or secret plans, programs, documents, agreements, internal management reports, financial information or other material relating to the business, services or activities of the Company, and (b) trade secrets, market reports, customer investigations, customer lists and other similar information that is proprietary information of the Company (collectively referred to as "Confidential Information"). The Executive acknowledges that such Confidential Information as is acquired and used by the Company is a special, valuable and unique asset of the Company. In addition, all records, files and other materials obtained by the Executive in the course of his employment with the Company shall remain the property of the Company. The Executive will not use Confidential Information or property of the Company for his own benefit or the benefit of any person or entity with which he may be associated. The Executive will not disclose any Confidential Information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever without the prior written consent of the Company. The obligations of this Section shall not apply to (i) information that enters the public domain without a breach of this Agreement by the Executive or (ii) information developed by or known to the Executive independently of disclosure to him by the Company.

8. **Specific Performance.** If the Executive shall take any action in violation of Sections 6 or 7, the Company will be entitled to institute and prosecute proceedings in any court of competent jurisdiction to enjoin the Executive from breaching the provisions of such Sections. Nothing contained in this Section 8 shall be construed to prevent the Companies from seeking such other remedy in the courts, in case of any breach of this Agreement by the Executive, as the Companies may elect.

9. **Arbitration.** The Companies and Executive agree that any controversy or claim (contract, tort or statutory) under federal, state or local law between Company and Executive arising out of Executive's employment with the Companies including, without limitation, the construction or application of any of the terms, provisions or conditions of this Agreement, shall, on written request of either party served upon the other, be submitted to final and binding arbitration. Such arbitration shall be conducted according to the Model Employment Arbitration Procedures of the American Arbitration Association, except as otherwise provided herein. The arbitration shall be conducted before the American Arbitration Association or such other arbitration service as the parties may, by mutual agreement, select. The arbitrator shall be appointed by agreement of the parties hereto or, if no agreement can be reached, by the American Arbitration Association pursuant to its rules.

Judgment on the award the arbitrator renders may be entered in any court having jurisdiction over the parties. The arbitration shall be conducted in New Jersey or such other jurisdiction as the Company's headquarters may be located. Costs, including attorneys' fees, may be sought by the prevailing party and awarded by the Arbitrator. This paragraph shall survive the expiration or termination of this Agreement. If any part of this paragraph is found to be void as a matter of law or public policy, the remainder of the paragraph will continue to be in full force and effect.

10. **No Right to Set Off.** The Companies shall not be entitled to set off against the amounts payable to the Executive under this Agreement any amounts earned by the Executive in other employment after termination of his employment with the Companies or any amounts which might have been earned by the Executive in other employment had he sought such other employment. The amounts payable to the Executive under this Agreement shall not be treated as damages but as severance compensation to which the Executive is entitled by reason of termination of his employment in the circumstances contemplated by this Agreement. The Executive shall not be required to seek other employment in order to mitigate or reduce the amounts payable to him pursuant to this Agreement.

11. **Miscellaneous.**

(a) **Continuing Effect.** Unless otherwise expressly provided herein, any provision of this Agreement that would by its terms or natural import survive the expiration of this Agreement pursuant to Section 1 or termination pursuant to Section 5 shall also survive.

(b) **Assignment.** The rights and obligations of the parties under this Agreement shall inure to the benefit of and be binding upon their respective successors and assigns. The Executive agrees that the Companies may assign their rights and obligations under this Agreement to any successor-in-interest. The Executive may assign his rights and obligations hereunder only with the express written consent of the Companies, except that the rights under this Agreement shall inure to the benefit of the Executive's heirs or assigns in the event of his death. Except as expressly provided in this paragraph, no party may assign its rights and obligations hereunder; and any attempt to do so will be void.

(c) **Severability.** If any provision of this Agreement otherwise is deemed to be invalid or unenforceable or is prohibited by the laws of the state or jurisdiction where it is to be performed, this Agreement shall be considered divisible as to such provision, and such provision shall be inoperative in such state or jurisdiction and shall not be part of the consideration moving from any of the parties to any other. The remaining provisions of this Agreement shall be valid and binding and of like effect as though such provision were not included.

(d) **Notice.** Notices given pursuant to the provisions of this Agreement shall be delivered personally or sent by certified mail, postage pre-paid, or by overnight courier, or by telex, telecopier or telegraph, charges prepaid, to the following addresses:

To the Companies:

MobileMedia Communications, Inc.
MobileMedia Corporation
65 Challenger Road
Ridgefield Park, New Jersey 07660
Attention: General Counsel
Telephone: (201) 393-4689
Telecopier: (201) 440-1303

To the Executive:

John M. Kealey
659 Westbrook Road
Ridgewood, New Jersey 07450

Any party may, from time to time, designate any other address to which any such notice to it or him shall be sent. Any such notice shall be deemed to have been delivered upon receipt.

(e) Governing Law. This Agreement shall be governed by and construed and enforced in accordance with laws of the State of New Jersey, without giving effect to the conflict of laws rules thereof.

(f) Waiver, Amendment. The waiver by any party to this Agreement of a breach of any provision hereof by any other party shall not be construed as a waiver of any subsequent breach. No provision of this Agreement may be terminated, amended, supplemented, waived or modified other than by an instrument in writing, signed by the party against whom the enforcement of the termination, amendment, supplement, waiver or modification is sought.

(g) Entire Agreement. Except as set forth in Sections 3(b) and 3(c) of this Agreement, this Agreement represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes any previous agreement or understanding.

IN WITNESS WHEREOF, Holding Company, the Company and the Executive have executed this Agreement as of the day and year first above written.

MOBILEMEDIA COMMUNICATIONS, INC.

By: _____

Title: _____

EXECUTIVE

John M. Kealey

MOBILEMEDIA CORPORATION

By: _____

Title: _____

MobileMedia

65 Challenger Road
Ridgewood Park, N.J. 07650

Telephone: 201/440-8400
Fax: 201/440-2885

VIA CERTIFIED MAIL/
RETURN RECEIPT REQUIRED

March 7, 1997



MobileMedia

Mr. John Kealey
659 Westbrook Road
Ridgewood, New Jersey 07450

Dear John:

As you are probably aware, MobileMedia Corporation and its subsidiaries ("MobileMedia") filed for protection under Chapter 11 of the Bankruptcy Code on January 30, 1997. Because of this filing, MobileMedia is no longer in a position to pay for any benefits previously provided to you regardless of their nature. Therefore, this letter serves as formal notification that all current and future benefits, provided under the agreement terminating your employment with MobileMedia, are hereby terminated. You will receive formal notification of the rejection of that agreement in due course.

The following information relates specifically to any health and/or life insurance benefits currently provided to you:

- Your health benefits will be continued through March 31, 1997. Under separate cover, you will be notified of your COBRA continuation rights with respect to such health benefits. If you wish to continue your health benefits, you will be able to do so at your own cost for the period prescribed by law, which is typically eighteen months.
- Your life insurance premium has been paid to extend coverage through April 3, 1997. Your accidental death and dismemberment premium has been paid to extend coverage through September 30, 1997. The insurance carriers will be notified to send the next premium notice directly to you in the event that you wish to continue the above coverages.

Any other benefits you may or would receive from the company will be terminated as well.

If you have any questions, please contact Tracey Zimmerman at 201-462-4926 or, with respect to your health and life benefits, Lynne Oldham at 201-462-4934.

Very truly yours,

Santo J. Pittsman

CERTIFICATE OF SERVICE

I hereby certify that on this 13th day of November, 1998, I caused copies of the foregoing Letter Supplement to "Applications for Transfer of Control and Petition to Terminate and for Special Relief" to be delivered via first-class mail to the following:

The Honorable William E. Kennard
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

Christopher Wright
General Counsel
Federal Communications Commission
1919 M Street, N.W., Room 614
Washington, D.C. 20554

The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, D.C. 20554

David Solomon
Deputy General Counsel
Federal Communications Commission
1919 M Street, N.W., Room 614
Washington, D.C. 20554

The Honorable Michael K. Powell
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, D.C. 20554

John I. Riffer
Office of the General Counsel
Federal Communications Commission
1919 M Street, N.W., Room 610
Washington, D.C. 20554

The Honorable Harold W. Furchtgott-Roth
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

The Honorable Joseph Chachkin
Office of Administrative Law Judges
Federal Communications Commission
2000 L Street, N.W., Room 226
Washington, D.C. 20554

The Honorable Gloria Tristani
Federal Communications Commission
1919 M Street, N.W., Room 826
Washington, D.C. 20554

Daniel B. Phythyon
Chief, Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Kathleen O'Brien Ham
Deputy Chief, Wireless Telecommunications
Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Catherine W. Seidel
Chief, Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8303
Washington, D.C. 20554

Myron Peck
Deputy Chief, Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8308
Washington, D.C. 20554

Gary P. Schonman
Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8308
Washington, D.C. 20554

John Schauble
Enforcement Division
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 8308
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Karen Wrege
Co-Chair ULS Task Force
Wireless Telecommunications Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Steve E. Weingarten
Chief, Commercial Wireless Division
Wireless Telecommunications Bureau
Federal Communications Commission
2100 M Street, N.W., Suite 700
Washington, D.C. 20554

Stephen Markendorff
Deputy Chief, Commercial Wireless Bureau
Wireless Telecommunications Bureau
2100 M Street, N.W., Suite 800
Washington, D.C. 20554

Paul D'Ari
Commercial Wireless Division
Wireless Telecommunications Bureau
2100 M Street, N.W., Suite 700
Washington, D.C. 20554

Elizabeth Williams
Commercial Wireless Division
Wireless Telecommunications Bureau
2100 M Street, N.W., Suite 700
Washington, D.C. 20554

D'wana R. Terry
Chief, Public Safety and Private Wireless Division
Wireless Telecommunications Bureau
2025 M Street, N.W. Room 8002
Washington, D.C. 20554

Dennis P. Corbett
Leventhal, Senter & Lerman
2000 K Street, N.W., Suite 600
Washington, D.C. 20006-1809
(Attorney for Hellman & Friedman Capital Partners,
II, L.P.)

Stephen C. Buenzow
Licensing and Technical Analysis Branch
Wireless Telecommunications Bureau
Federal Communications Commission
1270 Fairfield Road
Gettysburg, PA 17325

David Steimling
Licensing and Technical Analysis Branch
Wireless Telecommunications Bureau
Federal Communications Commission
1270 Fairfield Road
Gettysburg, PA 17325

John Harwood
William Richardson
Wilmer, Cutler & Pickering
2445 M Street, N.W.
Washington, D.C. 20037-1420
(Attorneys for the Chase Manhattan Bank, as
agent for secured lenders of MobileMedia
Corporation)

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Patrick S. Campbell
Paul, Weiss, Rifkind, Wharton & Garrison
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Washington, D.C. 20036
(Attorneys for the Unsecured Creditors)

Ky E. Kirby
Swidler & Berlin Chtd.
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
(Attorney for John M. Kealey)

Michael D. Hayes
Dow, Lohnes & Albertson
1200 New Hampshire Avenue, N.W.
Washington, D.C. 20036-6802
(Attorney for David A. Bayer)

Louis Gurman
Kimberly D. Wheeler
Gurman, Blask & Freedman, Chartered
1400 16th Street, N.W., Suite 500
Washington, D.C. 20036
(Attorneys for Western Wireless Corporation)

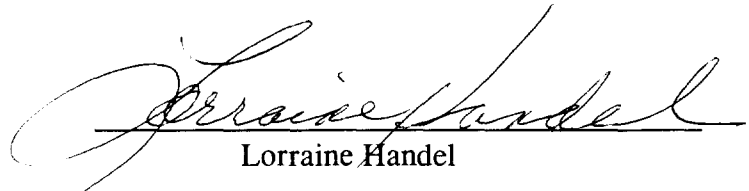
Lillian Kraemer
Kerry Mithalal
Simpson, Thacher & Bartlett
425 Lexington Avenue
New York, NY 10017
(Attorney for the Chase Manhattan Bank, as agent
for secured lenders of MobileMedia Corporation)

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Jones, Day, Reavis & Pogue
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Chicago, IL 60601-1692
(Attorneys for the Unsecured Creditors)

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Evan J. Werbel
Howrey & Simon
1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004
(Attorneys for Debra P. Hilson and Mark L.
Witsaman)

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Richards Spears Kibbe & Orbe
One Chase Manhattan Plaza, 57th Floor
New York, NY 10005-1413
(Attorneys for John M. Kealey)

James C. Mingee
Mingee & Associates
4084 Coker Road
Jackson, MS 39213
(Attorney for Glynn Ingram)



Lorraine Handel